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MACEDONIA: ITS RACES AND THEIR FUTURE. Methuen. 12/6 net. 1906.

"Few writers are better qualified than Mr. Brailsford to deal with Balkan affairs, of which he has acquired an intimate knowledge during many journeys and extensive intelligent study. His remarks in this volume are characterised by acute observation and real understanding of Balkan psychology, and, by what is rare among the writers who treat of the question, admirable impartiality. . . . His style is both philosophical and brilliant." —*The Times.*

ADVENTURES IN PROSE: A VOLUME OF ESSAYS AND SKETCHES. Simpkin, Marshall and Co. 5s. 1911.

"Mr. Brailsford's mind is vivid, sparkling and original, and we find much that is sympathetic in his general view o! things." —*The Athenæum.*

SHELLEY, GODWIN, AND THEIR CIRCLE. Home University Library. 1s. 1913.

"Mr. Brailsford's little masterpiece."—*The Nation.*

THE WAR OF STEEL AND GOLD

A STUDY OF THE ARMED PEACE

BY

HENRY NOEL BRAILSFORD

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CONTENTS

PART I—Descriptive

CHAP.		PAGE
I.	The Balance of Power	9
II.	"Real Politics"	47
	Diplomacy and Finance	52
	The Export of Capital	63
	The Trade in War	88
III.	The Egyptian Model	95
IV.	Class-Diplomacy	129

PART II—Constructive

V.	On Pacifism	157
VI.	Socialism and Anti-Militarism	174
VII.	The Control of Policy	198
VIII.	The Control of Finance	219
IX.	On Armaments	254
X.	The Concert of Europe	280
	Summary and Conclusion	308
Index		319

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PART I

DESCRIPTIVE

CHAPTER I

THE BALANCE OF POWER

A TRAVELLER who journeyed from London to Constantinople would remark in the changing landscape an eloquent variety of expression. No face could pass more obviously from confidence to caution, and from caution to fear than the plains and valleys through which his train would carry him. In the straggling villages, the little groups of isolated cottages and the lonely farm-houses of England and France or the Low Countries, he would read the evidences of an ancient civilisation and a venerable peace. Here violence has departed from men's lives, and whatever wrongs and mischiefs scourge society, the dread of the marauder and the bandit has ceased to vex them. They build with the knowledge that the highways are safe, and even the lonely places secure. In Hungary, and still more in Servia, the change begins that marks the transition to the East. The villages are more compact, the scattered cottages less numerous, the remote farm-houses have a look of newness. Here in quite recent generations the Turk was master, and the confidence which made the populous countryside of Western Europe has been slower in

coming. With the crossing of what was yesterday the Turkish frontier, the last phase declares itself. The broad landscapes lie open, tilled but untenanted. Outside the towns and the villages no one has dared to settle. Fear is the master-builder, and it is on the mountain tops or in sheltered glens that he has set villages where men herd together, gregarious and apprehensive. When the first Macedonian peasant builds himself a cottage out of sight of town or village, we shall know that the disappearance of Turkish rule has altered men's lives and changed the face of the country.

Landscapes do not lie. It is by the readiness of a population to build in lonely places and to abandon the security of a village where neighbours form a garrison, that one best may judge the success of a government in preserving internal order and peace. A like test may be applied to the relations of peoples. Seven years ago, Great Britain for the second time in a generation, refused to allow the construction of a Channel Tunnel. Year by year King's speeches may declare in the conventional formula that our relations with other Powers are friendly. At intervals our representatives may attend Peace Conferences, and our King exchange hospitality with all the monarchs of Europe. That refusal to construct the Tunnel revealed a lurking fear stronger and more sincere than all the amiable professions of *ententes* and ceremonies. There spoke the fundamental instinct of the people of these islands, and it was an instinct as imperious as that which forbids the Turkish peasant to inhabit a lonely farm-house. It proclaimed the dangers of modern Europe; it

pronounced war and invasion a possibility to be reckoned among everyday perils, as clearly as the Turkish landscape spells brigandage and the nullity of law. In vain the experts showed how completely the French entrance of this tunnel would be commanded by the guns of our fleet, how easily its exit on our soil might be controlled, how perilous for an invader would be the attempt to use it, how readily it could be closed or flooded at the first approach of tension or danger. Public opinion, official and unofficial, unmistakably announced that it meant to run no risks. Yet a Liberal Government was in power. Sir Henry Campbell-Bannerman was attempting to lead Europe in a movement for the reduction of armaments. Nothing could have served his purpose so well as a gesture of confidence, a flinging open of our island gates. The fear which forbade the construction of the tunnel could be explained only on one of two grounds. Either public opinion dreaded that our intimate understanding with France, of all European countries the least aggressive, might in some measurable time give place to an enmity so harsh as to tempt the French to embark on some sudden and perfidious scheme of invasion. Or else it feared that within the same measurable period—the "our time" in which we pray for peace—France might be so utterly crushed by a German conqueror, that the tunnel might be used by him for a descent on our coasts. The wildness of these fears and the remoteness of these risks gave the measure of the insecurity in which this country believes itself to live. The project of the Channel Tunnel is once

more under the consideration of the Government. The Liberal party is still in power, building Dreadnoughts and talking peace. Our friendship with France has stood the test of time. Our relations with Germany have become normal and even cordial. But it seems doubtful whether even now the project will be sanctioned, and if sanctioned it should be, the chief reason will be that a fresh terror has in the interval begun to prey upon our minds. Aerial warfare has become a possibility since 1906, and food supplies arriving by an underseas tunnel would be free from the new peril against which our Fleet is no protection. Fear vetoed the scheme then; it is just conceivable that a rival fear may advocate it now. A Europe in which such alarms may be seriously entertained by great masses of educated and civilised men is a Continent dominated by the nightmare of war, a society in which nation no more trusts nation than man trusts man under a lawless oriental despotism. The refusal to construct a tunnel betrayed our knowledge that we live in an epoch of militarism as clearly as the Japanese betray their knowledge that they inhabit an earthquake zone, when they refrain from building stone houses. Here, too, on our frontiers and channels, fear is the master-builder.

Fear is always apt to seem a ridiculous affection. Yet it would be a random judgment which would pronounce this caution merely irrational. Only by the gross stupidity or deliberate treachery of the defenders, or by some inconceivably diabolical cunning of the enemy could the tunnel be seized and used to our hurt; but in war all these factors

must be considered, more especially stupidity. It is only twelve years since France was the enemy, the butt for Mr. Chamberlain's threats, the foe whom the *Daily Mail* wished to "roll in mud and blood," while Germany was the "friend in need," whom Mr. Chamberlain invited to join us, with the United States, in a Pan-Teutonic alliance. In a world subject to such brusque changes, no friendship is eternal, and nothing permanent save the mutability of national rivalries. Since the century opened, five wars in thirteen years have reminded us how distant is still the dream of an enduring peace. In three of these wars Great Powers were engaged. Our own South African campaign was followed by the Russo-Japanese war, and Italy by making war on Turkey for the possession of Tripoli gave the signal for the two wars of the Balkan Allies against Turkey and each other. Nor is it only by the spectacle and experience of actual war that the sense of insecurity is stimulated. A war that has just been averted leaves behind it its legacies of alarm and revenge. Five times at least during these thirteen years has a war been on the verge of breaking out between European Powers, and in four of these five crises the war, if it had been declared, must have involved more than two Great Powers. Twice the Moroccan question gave occasion for such a crisis—once in 1905 after the Kaiser's visit to Tangier, and again in 1911 after the Agadir incident. Had France been engaged in war with Germany at either of these times, there is no doubt that our Fleet would have supported her. Twice at least have the affairs of the Balkans led

to the same risk. A war between Austria and Russia in consequence of the annexation of Bosnia was averted in 1909, after mobilisation had begun, only by the delivery in St. Petersburg of a German warning which resembled an ultimatum. In the autumn of 1912 the Austrian and Russian armies were again partially mobilised, and faced each other across their common frontier. They escaped a war partly because the Austrian plans had been divulged to Russia by a traitor on the Austrian General Staff, and partly because Germany and Great Britain united their efforts to keep the peace. The fifth crisis was more singular and more secret than any of the rest, because it occurred between two nominal allies. There was in the early phases of the Italian war with Turkey, a real danger that the military and clerical party in Austria, with the Heir-Apparent at its head, would force Baron von Aerenthal's hands, and bring about a sudden Austrian invasion of Italy. It is possible in surveying such a record as this of perils averted to draw an optimistic conclusion. Five times in this short period has a military caste or an aggressive interest essayed to make a war between two equal members of the European family. Five times has the effort failed. Some force there has always been, whether the public opinion of the nation concerned, or the pressure of neutral states, which has averted the calamity. It is a pettifogging reading of history which would pretend that it was some precarious intervention, now of the Kaiser or again of Sir Edward Grey, which availed to keep the peace. Individual statesmen in such crises are the servants and voices

of the general will. Civilised opinion already regards war as an obsolete barbarism, and in these five crises, albeit indirectly and by means apparently accidental, it has imposed its resolve that war shall cease, at least among the six Great Powers. The Transvaal, Japan and Turkey were all of them outside the charmed circle of European fraternity.

It is possible to admit this conclusion, and to hope with something like belief that the Franco-Prussian war was the last that will be waged between the greater nations of Europe, and yet to doubt whether we are near a period of security or in sight of the end of militarism. The philosophic spectator may draw the conclusion that the obscure and beneficent causes which averted these five wars will always serve to keep the peace in the European homeland. But that is not the conclusion of statesmen. They act indeed on the assumption that a peril averted is only a peril postponed. Consider for a moment the paradoxical spectacle which Europe presented after the rapids of the two Balkan wars had been safely passed. It had been a commonplace among students of international politics that the Balkan question could not be settled, nor the heritage of the Turk divided, without a war among the Great Powers. The thing was done. Macedonia was partitioned, Albania created and the Turks confined to a small corner of their ancient empire, and peace none the less was kept among the Powers. Nay, more, a Concert was created which, in the Albanian question at least, contrived to act, and to act beneficently. In the Conference of London we even seemed to have the nucleus

and model of a permanent European Council. It is true, indeed, that the concert failed miserably to avert the second war, and to modify the settlement which followed it. But it had at least availed in a momentous and complicated crisis to keep the peace among the Great Powers. If peace can survive such dangers, we might have concluded, she may survive anything. But while the journalists were all congratulating Sir Edward Grey, the soldiers proceeded to arm. Russia began by greatly increasing the numbers of her army on a peace footing. Through M. Poincaré she then imposed on France a return from two to three years' service for her conscripts. Germany, informed betimes of what Russia was preparing, increased her army before the French project had even been submitted to the Chamber, and thereby rendered its adoption inevitable. Great Britain, if Mr. Churchill has his way, is about to follow with an enormous naval increase. These are the permanent consequences of a crisis which seemed superficially to mark our progress towards peace and international organisation. The more successfully we escape war, the more hotly do we prepare for it. We eliminate a question which for three generations has made perennial anxieties for European statesmen, and the result is only to add to our armies and our fleets. Morocco, Tripoli, Albania, Bosnia, Macedonia, Persia—all these outstanding questions diplomacy has settled in the past seven years. It grows every year harder to guess what there is left to quarrel about. First with France, then with Russia, and at last even with Germany, we have

closed our accounts and settled our differences. And still our armaments increase. It seems to be more costly to settle our quarrels to-day, than it used to be to nurse them. With nothing left to fight about, our chief concern is that we may have something to fight with.

Too often a show and form of peace has been preserved only because one party to the quarrel was acutely aware of its unpreparedness for war. There lies the seed of strife in these recent harvests of peace. When France yielded in the former of the two Moroccan crises (1905), dismissed M. Delcassé, called the conciliatory M. Rouvier to power, and consented with an ill-grace to the summoning of a European Conference, it was not because public opinion demanded peace, but rather because the emergency found her with her army unready, and her magazines empty. When Russia in March, 1909, much against her inclination and apparently against the tendency of her public opinion, counselled her protégés, the Servians, to return a soft answer to the hectoring of Austria, her Minister of War defended this unpopular course in the Duma on the ground that the army over which he presided was disorganised and unprepared. It is not the will to keep the peace which staves off war from crisis to crisis, but a sense of the overwhelming risks of battle. The play of alliances has powerfully reinforced the argument from prudence. Germany, by standing behind Austria, imposed peace on Russia. Great Britain, in Mr. Lloyd George's Mansion House speech (1911), warned Germany in effect that her fleet and probably a portion of her army stood behind France.

There is in these expedients for averting war neither finality nor security. A Power which has been forced by the deficiency of its own armaments to accept a diplomatic reverse, at once sets to work to beggar itself in the effort to recover its lost prestige. Nor does it always happen that a Power is able to gauge, before the decisive moment, either its own weakness or its enemy's strength. Nicholas II. no more foresaw Tsushima than Louis Napoleon foresaw Sedan. A moment of national vanity, a passing caprice in which fashion amuses itself by despising the enemy, as the Russians despised the Japanese and our own Imperialists derided the Boers, suffices to make a war. Modern warfare has indeed long since entered on the phase of scientific prevision and calculation. Potential adversaries can keep few secrets from each other. Every admiralty can tell what weight of shot and shell every ship in the enemy's fleet can hurl upon its own vessels. Every naval and military budget is printed and published, and studied as carefully by the enemy's experts as by the Parliament at home. It is known approximately within how many days each Power can fling a given number of army corps across its frontier. The more elaborate the organisation, the more superfluous is an actual trial of strength. For the old recurrent wars of flesh and blood there has been substituted a continuous war of steel and gold. It never pauses even in time of peace. Behind every acute diplomatic discussion there goes on a calculation with maps and balance sheets and statistics. The incessant competition knows no term or relaxation as to which Power can mass the larger number

of recruits under the colours, provide for their rapid movements by the most efficient transport, outrange the enemy's field-guns, or outbuild the enemy's fleet. The computing of these elements tends to replace actual warfare. The old world fought; the modern world counts. But there are always unknown factors in the problem. Where is the expert who does not cherish some fond illusion about the superiority of a gun, a rifle or a type of ship? Who shall balance against some material disadvantage the moral factors which may outweigh it—the superiority of officers and men in intelligence, in education, in patriotism and in endurance, or the genius of a commander? If the issue of a war could always be foreseen, there would never be a war, but the miscalculations first of the Turks and then of the Bulgarians forbid us to suppose that modern military science is much nearer than the old haphazard practice to that accuracy in preliminary calculation which might abolish war. In the last resort, a slightly inferior Power may hope, by a sudden attack without a formal declaration of war, to gain a preliminary advantage which will balance some deficiency in numbers or armaments.

Alliances give no security that the stable equilibrium will be maintained, and the armed peace kept. "Treaties," as Lord Salisbury once put it, "are mortal." Alliances may be renewed from term to term, but seals and signatures are no guarantee that their provisions will be faithfully observed Calculations of self-interest inspired them; the same order of motives may make it inexpedient to

fulfil the bargain. Bismarck set the fashion in this international opportunism. An alliance concluded by him with Austria against the possibility of French or Russian aggression, in no way prevented him from concluding with Russia a secret treaty of "re-insurance," by which he pledged himself to benevolent neutrality if Russia should be attacked by his ally Austria. Europe has been divided for a decade into two armed camps governed by alliances and understandings. In all European questions Britain, France and Russia on the one hand, Germany, Austria and Italy on the other, act as two groups of partisans pledged to give one another support up to a certain point. But the degree of intimacy and the amount of support vary from time to time within each group, and vacillate from crisis to crisis. It was only a moral support which Britain and France gave to Russia in the Bosnian affair, while Germany was ready to back Austria with arms. Britain stood behind France with her fleet in the Moroccan entanglement, but the attitude of Russia was often doubtful. There is usually less doubt about the ties which bind France to Russia and Germany to Austria, than about the mutual relations of the other Powers. Yet at the opening of the Bosnian crisis the *Temps*, which at that period was still the usual organ of the French Foreign Office, suggested that France would do well not to follow Russia and Great Britain too closely in their anti-Austrian policy, since a time might come when a renewal of the Moroccan crisis might make it expedient for France to have in Austria a grateful friend. The position of two of the Great Powers in these groups is normally equivocal.

While the influence of King Edward was at its height, Germans complained that Italy had been "debauched" from the Triple Alliance, and the French reckoned until quite lately on Italian neutrality in a Franco-German conflict. For some years before the advent of M. Poincaré to power in France, there were signs that her alliance with Russia was becoming loose and nearly obsolete. The *Temps* complained that it was no longer put in action (*pratiqué*), and it was claimed as the chief glory of M. Poincaré that he had restored it by his visit to St. Petersburg and the conclusion of a naval convention. While Anglo-German rivalry was at its height, Russia seemed to step outside the Triple Entente and concluded with Germany at the Potsdam meeting a separate bargain in regard to Turkish affairs, which entirely ignored the interests of her ally and her friend. Russia indeed seems to trade upon her notorious untrustworthiness as an ally. When she joins a combination, her friends must continually load her with favours in order that she may remain in it, while from its rivals she receives concessions that she may desert it. Her faithlessness is an inexhaustible asset. She is always in a position to make terms, and gathers from each side by turn a "refresher" or a bribe.

The adoption of the group system in Europe has, in short, brought diplomatists no nearer to the ideal of stability. It has changed the conditions of their problem, but they are still bound at every turn of the wheel to bargain for support and buy off opposition. Loyalty is a matter of expediency and shifting calculation. Usually it pays

to support an ally and keep a bargain—if it were not so, there would be no bargains—but there is always a chance that any given crisis may bring the occasion for a weakening of the recognised ties, and a readjustment of the balance of power. Faced by an adverse combination, a restless Power at once sets to work to buy off one or more of its opponents, to take out a policy of "re-insurance," and to break through the diplomatic hedge which pens it in. Europe is in perpetual flux, and peace is preserved only by a constant readjustment of the strains and tensions which hold it together. Alliances, like armaments, are rather symptoms of a universal insecurity, than the means of building up a permanent peace. The group system stands condemned by its practice. The Budgets of all the Powers which are embraced in it betray their fears. The continual increase of armaments since the formation of the Triple Entente is the sufficient proof that it has done nothing for European security. Union ought to make strength. But in practice every alliance tends to stimulate each ally to the maximum of those preparations which are always supposed to be defensive. Each group aims at a preponderance in Europe, and each ally uses his influence to force his colleagues into costly sacrifices. Russian influence induced France to return to the Three Years' Service System. French influence is among ourselves a force making for conscription, and from time to time the *Temps* informs us that if ever we are to enjoy the full status of an ally of France, we must make ourselves valuable to her by creating a national army. Italy, seeking security in the Triple Alliance,

presently found that she was expected to load her population with taxes in order to maintain the status of a first-class military Power. Our own experience at the moment teaches us how strangely a *quasi*-alliance may operate to increase armaments. Because we belong to the Triple Entente it is argued that we must build ships not merely against Germany, but against Germany's allies, Italy and Austria. But in reckoning our forces, the experts will never allow us to add the navies of France and Russia to our own. An alliance seems always to bring new commitments and dangers with it, but never to diminish perils or to enable its members to lessen their preparations for defence.

Ten years ago if we had invited statesmen and experts to define the tasks of the British army, they would have answered unanimously that we are obliged to maintain a large and costly land force primarily because we hold India and must prepare for its defence. By two treaties during this period our military position in India has been transformed. We have first of all concluded an alliance with Japan by which she is pledged, should India be invaded, to support us with an army of 300,000 men. Meanwhile with Russia, the only Power which could invade India, we have entered on an understanding by which she has become a *quasi*-ally. India has been insured and re-insured. We have made a friend of our only rival, and an ally of the most formidable military Power of the New East. But our army is no smaller for this favourable change in our position. The risks against which it insures us have been twice removed, yet we are unable to disband a

regiment or dispense with a battery. The military budgets of India have indeed actually increased since these two treaties made it morally impossible that an army should ever in our time be called upon to defend it against a foreign invader. The army is not diminished, partly because no one wholly trusts the Russian friend or the Japanese ally, but chiefly because our entry into the Continental system of alliances has imposed upon it a new military task. Its primary function is no longer to defend India, but to furnish an expeditionary corps for service in Europe. Alliances and understandings have had here also their normal results. Not for our own sakes, but to serve our friends and maintain the balance of power, we have been obliged to provide our Continental policy with a Continental arm. We require an army which can operate in Europe precisely as we did in the days of Marlborough and Wellington. The more deeply we commit ourselves to the policy of the balance, the more rapidly shall we be driven to the adoption of conscription. We are driven, by the very means which seem to conjure peril and make for safety, into a redoubling of precautions which betray our growing fears. Nowhere in Europe is this process of arming easy or uneventful. Everywhere it involves unpopular taxation, shaken credit, Cabinet crises, Parliamentary conflicts. A wanton enemy, a joyful aggressor, a primitive earth-shaking Imperialism there nowhere is in Europe to-day. Morally warfare is obsolete, and it is with conscious shame and unconcealed reluctance that statesmen and Parliaments face the assumed necessity of interrupting the indus-

trial business of a modern State to provide for the constant possibility of war, on a scale which the barbarism of the Middle Ages at their darkest never rendered necessary. Ours is a mediævalism without its chivalry, stripped of the pride in arms and the delight in conflict which gave even to feudalism an ideal and not ignoble side. It is fear which goads Europe to-day into the extravagance of panic armaments. But the fear which causes the European Powers to form alliances and pile up armaments is not the simple fear of a nation which dreads aggression and invasion. It may so figure in the minds of the simple citizens who flocked to see "An Englishman's Home," and imagined that the Germans were already at our gates. It may so figure in the mind of the French peasant who remembers that the Prussians once occupied his farm, and forgets the dynastic ambitions of his rulers which provoked this invasion. In the minds of the governing caste it is rather a superb fear, an Imperial fear, a fear lest in the future some stronger Power may menace their acquisitions, recent or prospective; in various corners of the globe. There are nations, of which little Switzerland is the chief, which live secure without a professional or conscript army amid the rival camps of Europe. "To do justly and love mercy and walk humbly with thy God," is a rule of life which still preserves rare nations from the general fear. But these are the nations which covet nothing beyond their own borders.

To the humane onlooker who conceives the public life of nations as an effort, however slow and ill-directed, to realise the ideal of a co-operative com-

monwealth, the procedure of diplomacy and the growth of armaments is apt to seem a riot of waste and unreason. Yet it is at the worst a highly intelligent folly, which has its guiding thoughts, its principles of action, and above all, its economic motives. Let us attempt to study it a little more closely. Seen from a British standpoint the process has been influenced by three or four new departures which are in reality phases of a single policy—the conclusion of the French *Entente Cordiale* in 1904, the launching of the *Dreadnought* in 1906, the conclusion of the Russian agreement in the next year, and perhaps we should add the adaptation of the army by Lord Haldane to suit the new conception of its task as an auxiliary Continental force. "We ordinary mortals," said Lord Rosebery recently, "are not admitted behind the scenes . . . but one thing we do know about our foreign policy: for good or for evil we are embraced in the midst of the Continental system." The days of our "splendid isolation" are over. We have become in the full sense of the word a European Power closely involved with two partners in the rivalries of the Continent. The change in our position was probably inevitable, and it is likely to be permanent. Disastrous as some of its consequences have been, there are few who would wish to revive the conceptions of foreign policy which were taught by the "Manchester School." To make an ideal of "splendid isolation" would be to renounce our duties in the common life of nations, to check our sympathies, to deny the sense of solidarity which links us with identical interests and fellow-feelings to peoples beyond our shores. It is

better to go forward, however ill-guided the advance may be, as a European nation aware of its share in the common burdens, the common errors, and the social duties of peoples which profess a common civilisation, than to relapse into the insularity and egoism of a narrow isolation.

To welcome our entry into the Continental system, is not to accept the fundamental principle which has guided us. We have followed for nearly a decade a policy defined as the preservation in Europe of "a balance of power." It is a familiar idea, and the words recall some of the most cherished memories in our history. But like all traditional phrases it illustrates the danger of adapting to modern conditions a notion which bore for our ancestors a meaning which we cannot give it to-day. It arrests thinking, confuses emotion, and covers with its venerable mantle a policy which is in reality entirely new. "To maintain a balance of power in Europe" is the motive which inspired us to erect the Triple Entente as a barrier against the Triple Alliance, led us into a conscious and habitual rivalry with Germany, made us the ally of France in a quarrel not our own, and set us, after the Manchurian campaign, to restore Russia by financial aid and diplomatic backing to her place among the Great Powers. All metaphors mislead, and this metaphor is peculiarly fallacious. One may doubt whether any statesman in his own inner mind ever desired a balance, if the word means what it conveys—an exact equipoise in force and influence among the Powers of Europe. What every statesman desires is that the scales of power shall be more heavily

weighted on his own side. He begins to talk of a balance when the scales descend on the other side. He piles a weight on his own side or snatches a weight from the other, but he never stops at the crucial moment when the scales are even. The balance is a metaphor of venerable hypocrisy which serves only to disguise the perennial struggle for power and predominance. When a statesman talks of a balance, he means a balance favourable to himself. Equipoise between two rival groups, if ever it could be attained, would mean a condition intolerable to the normal human mind. It would mean stagnation and stalemate, the throttling and handcuffing, not of one nation, but of all. It is for liberty of movement, for opportunity to carry out their national purposes that all Powers strive. In a Concert that liberty is sought through the amicable adjustment of interests round a Council-Board, and just in so far as Powers form permanent groups which support each other in issue after issue on the principle of "my ally right or wrong" does any Concert governed by the disinterested opinion of neutrals become impossible. Without a Concert the group system means that all negotiation, even when it is outwardly courteous, is carried on with the knowledge that arguments are weighed by the number of army corps and guns and ships which each combination can muster. The evil reaches its climax when all the Great Powers are regimented, as they are to-day, in one group or the other, and none of them is free, without some measure of disloyalty to partners, to approach any question with an open mind or to consider any aspect of

it save its reaction upon the interests of these partners.

A Balance of Power is not a self-sufficing ideal. Power is sought for certain ends, and that is true whether it is at an equality or at a preponderance of power that one aims. It is here that the real difference emerges between the contemporary struggle to maintain a sort of balance in Europe and the epic wars of the eighteenth and early nineteenth centuries. When our ancestors talked of redressing the balance, and formed coalitions, subsidised allies and landed armies on the Continent, they had something to fear. They were fighting for hearths and homes. They knew that their own liberties, political and religious, were at issue, and if the struggle imposed on them inordinate burdens, the stake was worth the sacrifice. In the former of the two periods dominated by the notion of a balance, Louis XIV. had made himself the arbiter of Europe. He gave a king to Spain, a mistress and a pension to Charles II., stood behind a Catholic restoration under his successor, and menaced the Netherlands and the Rhine with unceasing and devastating warfare. When William of Orange taught our ancestors to think in terms of the balance of power, it was because our shores were threatened with an invasion which would have brought back a despotic king. His strategy was a league of the weaker Powers against a nation whose cohesion and superiority in culture and wealth overtopped the liberty of Western Europe. No less elementary, no less monstrous, were the perils which caused Pitt to revive the theory of the balance against Napoleon. Frontiers had

become fluid under the tread of his armies, and his will moulded national institutions and made and unmade kings. In both periods the things that were weighed in the balance were the home territories and the domestic liberties of the peoples which sought to adjust it. The stake was their national existence, the fields and the cities which were their home. Our fathers under William of Orange and Pitt did not aspire to a balance as a thing good and necessary in itself, or as a condition of the normal life of European societies. They meant by the balance such a checking of the excessive power of France as would save Devonshire from her fleets, the Palatinate from her armies, their thrones from her nominees and their Parliaments from her dictation. The balance; in short, was the condition of national self-government.

We must free ourselves from the obsession of this phrase, if we would judge contemporary diplomacy clearly. There is no analogy, there is not even a plausible parallel between our own case and that of our forefathers who coined the phrase. To pursue a balance for its own sake is not an axiom of British policy. What is axiomatic is rather that we must adopt any policy necessary to the preservation of our national liberties. The balance was always a means to that end ; it was never an end in itself. We shall not reason honestly about the modern problems of diplomacy, until we have first of all recognised that the dangers which forced our ancestors into European coalitions and Continental wars have gone never to return. We need not argue that human character is absolutely better

than it was in earlier centuries, nor even that the predatory instincts of mankind have grown appreciably weaker. Human character, for that matter, is not a fixed or self-subsistent thing ; it is the habit which human beings acquire of adjusting themselves to their environment. The environment changes and the character with it. What mainly differentiates our century from those which went before it is that the forms of wealth have changed. Wealth in the days of the wars for a balance of power meant primarily land. Wealth in our day is primarily the opportunity for peculiarly profitable investment. This economic evolution has modified most of our social institutions, and with them our diplomacy. Conquest in the old sense of the world has become obsolete. A predatory Power does not go out with drums and banners to seize estates for its feudal aristocracy. It applies pressure, and pressure which often involves the possession of fleets and armies, to secure concessions for its financiers. There is no advance in morality here, no conscious progress towards a Golden Age. The change cannot be described in phrases from Isaiah or in verses from Vergil. It is a non-moral development, but it has none the less a direct bearing upon our hopes of peace. The instinct to conquer is as sharp and insatiable as ever, but it has found a means of conquering beyond frontiers. Our modern *conquistadores* do not burn their ships when they alight on coveted soil, as though to anchor themselves for ever on its fertile acres. Our bankers will not do in China what Cortes and Pizarro did in the New World. They build a railway or sink a

mine. Our Ahabs do not take Naboth's vineyard; they invest money in it. The struggle for a balance of power means to-day a struggle for liberty and opportunity to use "places in the sun" across the seas. For the modern world a place in the sun is not a smiling valley, or a rich plain in which a victorious army will settle, and build homes and found families. It is a territory to "exploit," and the active agents in the process are now the bankers and investors who float loans, and secure concessions. Even where conquest is incidentally necessary, as in Morocco, there is no migration to the new territory and the conquering Power rarely troubles to annex it. It "occupies" it, only because without occupation it cannot safely employ its capital in building railways or sinking mines. Land-hunger is not the malady of the modern world. In all this we shall not discover the faintest resemblance to the perils and ambitions which roused the passions and stimulated the sacrifices of the earlier struggles for a balance of power.

What at the worst would have happened, if no Triple Entente had been formed, or if it had been broken by clever diplomacy or successful force? What use over a long period of years would the Powers of the Triple Alliance have made of their predominance? Germany would no doubt have continued her peaceful "penetration" of Turkey. The Bagdad Railway would have been from terminus to terminus an all-German line, and the German banker and the German mining engineer would have followed its course, conferring some incidental benefits on the Turkish population and

earning large dividends for Hamburg and Berlin. British trade would have shared in the increased demand for goods, but German political influence at the Porte would in the main have excluded our financiers from the large profits to be derived from concessions and monopolies. The French occupation of Morocco would probably not have been feasible, or if it had happened, would have formed a part of some comprehensive arrangement between France and Germany. The country might have been divided between them, or Germany might have been contented with economic facilities, if French capital had been put at her disposal for her industrial and colonial enterprises. It is not so much Morocco which the Germans have coveted, as the excellent iron ore which its mountains contain. Nor does France possess anything which Germany desires, save those endless stores of capital which French banks in concert with French diplomacy direct abroad to Russia, to Turkey, to South America—to every corner of the earth save Germany. By cajolery or by bullying or by that peculiarly German combination of both, German diplomacy; if no Triple Entente had existed, would somehow have found its way to the Moroccan mines and the Paris Bourse. What else would have happened? Italy would doubtless have taken Tripoli, and with it perhaps some Turkish islands; she might even have won some footing, half political, half economic in the Cilician region of Asiatic Turkey. Persia, if we had entered into no close association with Russia, would have continued to profit by Anglo-Russian jealousies, to maintain the reality of her independence,

and might with a free Parliament and the aid of such foreigners as Mr. Shuster have advanced far towards a national renaissance. In the Balkans it is likely enough that Austria, backed by the preponderant influence of the Triple Alliance, would have availed herself of one of the several crises which have followed the young Turkish revolution, to force her way to Salonica and to annex a part at least of Macedonia. For my part, I do not doubt that the Bulgarian population which she would have acquired would have been happier under her rule than it is now, or is ever likely to be under the Servians and Greeks. These are some of the consequences which might have happened if no one had troubled to unite Britain, France and Russia in a league to maintain a balance of power against Germany and her allies. The most probable consequence of all, however, would have been the dissolution or at least the weakening of the Triple Alliance itself. Alliances are held together more securely by the forces which press against them, than by any internal cohesion.

It would be difficult to suggest any consequences more startling or sinister than these. Europe had a long experience of German "hegemony" during the quarter of a century which elapsed between the fall of the French Empire and the creation of the Franco-Russian Alliance. Nothing disastrous happened. No little states were over-run, no neighbour's landmarks removed, no thrones overturned, no national or religious liberties menaced. Not even if the Kaiser wielded a military power as great as that of Louis XIV., can we conceive him acting as the Grand Monarch acted. High politics are

no more moral than they were, but predatory appetites have assumed a new form, and nations have acquired with Parliamentary government a cohesion and a personality which protects them more effectively than guarded frontiers and crowded barracks. In Europe the epoch of conquest is over, and save in the Balkans and perhaps on the fringes of the Austrian and Russian Empires, it is as certain as anything in politics can be, that the frontiers of our modern national states are finally drawn. My own belief is that there will be no more wars among the six Great Powers. That is an instinctive conviction. It is safer to make the modest prediction that if war should break out, it will be for some stake in Turkey or in China, and that it will end without territorial changes in Europe—a geographical term from which the Balkans must always be excluded. The present territorial arrangement of Europe follows with few exceptions the lines of nationality. Even where it departs from them, trade and finance have united the conquered area so closely to the conqueror, that it would now reject independence as a free gift. That is certainly true of Russian Poland, which demands autonomy, but would regard separation as an economic disaster. It is probably true even of Alsace-Lorraine, which for all its hatred of Prussian bureaucratic rule and its preference for French culture, has entered irrevocably into the German network of commerce and finance. If we are to continue in the twentieth century to inflate our patriotic rhetoric with sounding phrases about the balance of power, let us be clear at least about its modern meaning. No one will impose on us a

Catholic king, or remodel our institutions to fit the iron law of the Code Napoleon. Shall the Germans dig for iron ore on the slopes of the Atlas, and carry it in the form of steel rails to Bagdad? That is the typical question of modern diplomacy, and sanely regarded, it is a good deal more important than the typical question of the old world, whether the King of Spain should be a Bourbon or a Hapsburg. To settle this question, and similar questions which belong to the same order, the young men of Europe are drilled, the battleships are built and the taxes squandered. Nothing is at stake which can affect the fortunes or ownership of a single acre of European soil. Nothing would be changed in the politics or religion or public life of any European state if these questions were settled otherwise or were not settled at all. When men were kidnapped by the press-gang in the streets of Plymouth to fight Napoleon, they had at least this consolation, that something which they valued as Englishmen would have been lost or jeopardised, if Napoleon had won. But who in England would have cared if the iron-ore of Morocco had gone to cast German cannon at Essen, instead of French cannon at Creusot? There is no human reality in this modern struggle for the balance of power, no worthy end, no splendid purpose. There is nothing real about it, unless it be the taxes levied to maintain it.

"But do you," the reader may ask with indignation and surprise, "do you really dismiss the tremendous Anglo-German rivalry of recent years, with all its war-scares and its Dreadnoughts, as a dispute which turned on nothing larger than the

mines of Morocco and the railways of Mesopotamia? This is to trifle with patriotism and ignore national ambitions." The normal human mind experiences a certain revulsion at such an analysis. All the abstract words, all the sounding phrases of politics have hurtled about our ears during these years, and we do not like to be told that the whole confusion was caused by a matter of iron ore and steel rails. There are two ways of testing such a diagnosis as this, and we will apply them both. How did the dispute originate, and how was it finally settled? The *Entente Cordiale* between Britain and France, which marked the beginning of the tension with Germany, was based, so far as the world knows, upon a single document, which was nothing but a business-like adjustment of French and British interests in Egypt and Morocco. The French agreed to recognise our tenure of power in Egypt, and we in return admitted their predominant interest in Morocco. A secret clause, of which the Germans seem to have had knowledge about a year after it was drafted, went on to bind us to give diplomatic support to France, if circumstances should render it expedient for her to occupy Morocco, and in that event the interests of Spain were safeguarded in any future partition. Amid all the angers and contentions of recent years there was never any concrete issue of the first rank between Britain and Germany, save this Moroccan question, and it was a question which concerned the French more nearly than ourselves. The German thesis was perfectly simple, and in principle defensible. It was that France and Britain had no right by an exclusive bargain to

settle the fate of Morocco without consulting other Powers. The answer of the French and British press was more plausible than convincing. It was our case that as what we call the " trade " of Morocco is mainly in French and British hands, Germany was not in any real sense an interested party. The " trade " of Morocco, if by that word is meant the exchange of European manufactured goods against the raw produce of its agriculture, is at the best inconsiderable. No one would risk the lives of soldiers and the money of taxpayers for the sake of the Moroccan market. What matters in Morocco is the wealth of its virgin mines. This was an open field, and here Germans had as good or as bad a claim as any one else. A German firm, the Mannesmann Brothers, could indeed boast that it had obtained an exclusive concession to work all the mines of Morocco in return for money which it had lent to an embarrassed Sultan during its civil wars. That this was the real issue is proved by the terms which were more than once discussed between Paris and Berlin for the settlement of the dispute. A " *détente*," or provisional settlement of the dispute was concluded in 1910, which had only one clause—that German finance should share with French finance in the various undertakings and companies which aimed at " opening up " Morocco by ports, railways, mines, and other public works. No effect was ever given to this undertaking, and German irritation at the delays of French diplomacy and French finance culminated in the despatch of the gunboat *Panther* to Agadir as a prelude to further " conversations." Had M. Caillaux remained in power, we know from

the subsequent investigations before the Senate's Committee, how those conversations would have ended. He would have effected not merely an adjustment of French and German colonial interests, but a general understanding which would have covered the whole field of Franco-German relations. The points on which he had begun to negotiate were all economic, and chief among them was a proposal to put an end to the boycott by French finance of the Bagdad railway, and to admit German securities to quotation on the Paris Exchange. The alarm which this bold step by M. Caillaux caused both to French patriots and to British Imperialists is not yet forgotten, and its echo was heard both in London and Paris, when, towards the close of 1913, M. Caillaux returned to office. In those informal negotiations he had made the beginnings of a readjustment in Franco-German relations which would have transformed not merely French but European politics, if he had been Premier for a few months longer. French patriots took alarm and feared that he was about to rob them of their dream of a revenge for 1870. British Imperialists in our Conservative press assailed him from a fear that if France composed her quarrel with Germany, this country would be left isolated. In a single sentence in the debate (27 November, 1911) which followed this Agadir crisis, Sir Edward Grey used a phrase which showed that our diplomacy had shared the fears of our Conservative press. There was a risk, as he put it, that France might be drawn into the orbit of German diplomacy. It was for that reason, and not because it really concerned us how

much or how little compensation France paid to Germany in the Congo for her seizure of Morocco, that we were ready to back the less conciliatory diplomacy of M. Caillaux's successors, if need be, by force of arms. This was, perhaps, the most instructive incident in the recent history of European diplomacy. We need not pause to discuss the parts which the various actors played in it. What concerns us in this argument is the proof which it afforded that in the judgment of those who knew the facts, this feud between France and Germany, which for more than a generation has seemed to be a permanent factor in European politics, deeply seated in sentiment and entrenched behind powerful interests, might be ended by an economic arrangement. That clearly was the view both of those who desired and those who feared a reconciliation. Assuming that the Germans were wise enough at the same time to grant full self-government to Alsace-Lorraine, this view is probably sound. It means, if we accept it, that the importance of economic motives as the real spring of all the conflicts which centre in the balance of power could hardly be over-stated. The whole development of Anglo-German relations, since the Moroccan conflict ended in a compromise, has tended to confirm this opinion. Both Powers, after the crisis of September 1911 had confronted them sharply with the real risk of war, acted with a new sobriety and cast about for the means of composing their differences. Lord Haldane made his famous visit to Berlin, and Baron Marschall von Bieberstein was sent to London. A comprehensive series of negotiations was opened, and some

brief account of it has been given by the German Chancellor to the Reichstag. It turned on two sets of questions—economic issues in Turkey which centre in the Bagdad Railway, and colonial issues which apparently concern future projects of expansion in tropical Africa. These negotiations were nearly completed when the Chancellor last spoke of them, and he implied that they had already sufficed to make Anglo-German relations cordial and intimate. Once more it appears that the questions which divide rival Powers, and mobilise them in hostile camps against each other, turn on no European controversies, and affect no question of honour, liberty or nationality that touches our own homes. They are all incidents in the effort of modern finance to find openings in distant regions, to lay its rails in Mesopotamia or to exploit the tropical produce of Angola.

A doctor who explains the madness and death of a man by a clot of blood in his brain, must seem to a simple spectator to be assigning a ridiculously inadequate cause for a tremendous effect. A student who traces all the armaments and angers and heroics of our seven years' struggle over the balance of power, to the fact that German industry looks forward to the early exhaustion of its native supplies of iron-ore, and hoped to replace them by obtaining access to the mines of Morocco, may also seem to be trifling. Was there really nothing else in all this crisis? Of course there was. There was the anger. When the plain man sees the *Dreadnoughts* rising on the stocks, and listens to the gossip about crises and military preparations, his common-sense is

offended when he is told that the trouble is about nothing more serious than a few mines and railways and bankers' ventures. The plain man is right. The potent pressure of economic expansion is the motive force in an international struggle; for a people like the Germans which has bent all its brains, and will bend them for a generation to the task of industrial organisation, mines and railways in the half-exploited regions of the earth are not a trivial matter. But the starting-point in such a rivalry is soon forgotten. Danger begins when a nation generalises, and declares that it is being "penned in," and threatened by a policy of "encirclement." The difficulty between Britain and Germany was not so much Bagdad or even Morocco, as the general sense that a powerful diplomatic combination and a naval preponderance were being used to frustrate German purposes and to exclude her from "places in the sun." The moment that suspicion dawns, the origins of the rivalry are forgotten. It becomes a general engagement, and all the channels of human folly pour into it their reserves. The military instinct, with all the interests behind it, is aroused, and on its side fights the healthy national will not to be worsted in a trial of endurance. Subtler but not less potent is the scientific chauvinism peculiar to the German mind—the mood of self-complacency which dwells on German efficiency as opposed to British "slackness," our obsolete methods of education, the abundant leisures and pleasures of our propertied class, and all the phenomena which suggest a crew resting on its oars and inviting a more strenuous people to pass it in the race.

It would be futile to attempt to dissect the froth of popular emotion, but there is little difficulty in explaining why secondary disputes like these of Morocco and Bagdad expanded into a world-shaking conflict. It was an offence that we should have joined the French in settling the fate of Morocco by a one-sided arrangement. Germany had been ignored, and the Kaiser quite naturally retorted that Germany must aim at becoming "so strong that nothing could happen in the world about which she was not consulted." The sequel suggested to German minds that the offence was deliberate, that we meant to erect it into a system. The Anglo-French Entente grew into the Triple Entente, and the Triple Entente presently seemed to be rallying minor partners to itself. First we excluded Germany from Morocco, and then we constructed a general league which hemmed her in on all sides. We "debauched" her ally, Italy, we brought Spain within our "orbit," gave British queens to Spain and Norway, and for a brief moment robbed Germany of her old influence in Turkey. The "balance of power" had been violently adjusted in our favour, and Germany, in Prince von Bülow's phrase, felt herself "penned in," and imagined that it was the purpose of the Triple Entente to confront her everywhere, to check her movements in every sea, and to shut her out from all "the places in the sun." The struggle which followed was really a colossal effort on her part to break down the "pen." She threatened France and Russia in turns, and against us she began to build a navy, which, though it could not hope to equal ours, might at least be strong enough to cause

us to pause before we attacked her. It can hardly be doubted that for some years at least, the Triple Entente was really inspired by the aims which German alarm ascribed to it. Its real architects were M. Delcassé and King Edward, and the former at least made no secret of his ambitions. The ablest defence of his work is to be found in the brilliant pages of his friend, M. Victor Bérard. He illustrates his idea by a striking metaphor. When the iconoclasts of the Reformation were minded to destroy a Gothic cathedral, they did not trouble to storm in upon it with mallet and crowbar. They simply cut the flying buttresses which supported from outside all the gallant tracery of its walls and the massive strength of its towers. When that was done the cathedral crumbled into ruins. The German Empire was that Gothic cathedral. Its buttresses were the Austrian and Italian alliances, its more than neighbourly relations with Russia, its predominance over Turkey, and its power of bringing other lesser states like Roumania within the circuit of its influence. M. Delcassé set to work with equal boldness and skill to realise this masterly thought, and accident favoured him when Lord Salisbury, who had always been a friend of Germany, retired from office, and King Edward, who had always been a friend of France, came to the throne. For some years Germany was very nearly isolated, and the Austrian alliance was the only " flying buttress " which did not shake for a moment beneath the hammers of the iconoclasts. The cathedral in the end turned out to be more solid than it had seemed at the first assault, and experience cooled the ardour of the assailants.

These years of passionate unrest have left behind them no permanent achievement. Neither group is appreciably stronger than it was when the rivalry began. Its only permanent monument is to be found in the National Debts of the Powers which have engaged in it, in their military and naval budgets, and in their burden of taxation. For the rest, what has been gained? Our hold, indeed, is firmer on Egypt. France has taken Morocco. Austria has snatched a title to Bosnia. Russia with our connivance has destroyed the liberties of Persia, and occupied apparently in permanence its more advanced and populous provinces. There was talk of a League of Peace and a coalition of the Liberal Powers when we concluded our understanding with France. What Liberal purpose has it furthered; what Liberal principle has it established? We soon discovered that what France wanted from us was not our Liberal principles but our navy. When Sir Henry Campbell-Bannerman talked of reducing armaments, her press voiced a barely courteous disgust; it is enthusiastic only when Mr. Churchill undertakes (in his own phrase) to provide that "shattering, blasting, overpowering force," which helped France to seize Morocco. We soon discovered that if we would embrace Liberal France, we must stretch our arms to include reactionary Russia. We found Russia after the Manchurian War a staggering chaos. We have helped to restore its solvency and revive its prestige, while it hanged its Socialists, dissolved its Dumas, imprisoned its deputies, flogged its noblest youth, oppressed its Jews, defiled the free soil of Finland, and erected

its gallows in the cities of Persia. Nowhere has the Triple Entente served a Liberal thought, and at no time in the long rivalry has this battle over the balance of power turned on an intelligible principle, or a purpose which promised anything to the common good of Europe. Its angry career has only disclosed the futility and triviality of the ideas which have inspired it. In vain have we and our partners sought security in alliances. The mounting record of our armaments gives the measure of our growing fears. The rivalry is pursued on a greater scale. With each effort the standard of sacrifice is raised, and still no Power gains the sense of security or immunity from challenge. There is nothing to be won from all this uncompensated mischief, unless it be a clear vision of what is really involved. There is at stake nothing whatever in Europe, nothing at all that touches any vital interest of any European democracy. The angers and suspicions which the strife engenders, the megalomania on one side and the panic fears on the other—these are the psychological irrelevancies of the process. The tangible realities at stake are measurable, and they turn out on investigation to be nothing but certain opportunities for expansion valued by the restless finance of one Power or the other. It is an economic motive which underlies the struggle for a balance of power.

CHAPTER II

"REAL POLITICS"

POLITICIANS tend to think in cant, as the masses and the aristocracy think in slang. For the secrecy of their foreign policy cant has provided them with a specious excuse. The suggestion is that democracy is incapable of a "scientific" handling of foreign questions. The ruling class invokes science to-day in defence of its privileges, as its fathers used to invoke revelation. This apology for a close and exclusive statesmanship involves several suppositions —that a science of foreign politics exists, that the bureaucrats of the diplomatic service are in possession of it, and further that they alone possess it, or are capable of acquiring it. To state these suppositions is to dispose of them. There is no science of foreign policy, and however much it may stand in need of careful and systematic thinking, no department of politics has received less theoretic attention. Certainly no book exists in our language which attempts in any systematic and constructive way to present a general view of foreign affairs, or of the principles which should guide their conduct. The consequence of leaving this department of public affairs to the uncontrolled conduct of a small caste, is not to promote their scientific handling, but rather

to give the rein to caprices, rivalries, and personal interests. The fewer the number of persons engaged in any given transaction, the less on the average will be the chance that it will be settled by any view of general interests, and the greater the probability that the issue will turn on purely personal factors. There has unquestionably been in the last century an immense improvement in the personal morals of diplomatists, a decay even in foreign affairs of the authority of monarchs, and a diminution of the risk that individual interest will deflect national policy. Save perhaps in the Balkan States, and there only in Belgrade under the late King Alexander, one may doubt, for example, whether anything is now effected in diplomacy by the Stuart-Bourbon method of subsidising the mistresses of foreign kings. Late in the eighteenth century our ambassadors in St. Petersburg used to bribe the ministers and courtiers of the Tsar. That method is obsolete even in Russia. But the personal factor is none the less still powerful and its motives are not always respectable or even patriotic. The memoirs which deal with the foreign affairs of the nineteenth century often suggest that the ultimate problem was frequently that of handling the caprices of the few individuals, the kings, statesmen and ambassadors, on whom the fortunes of European peace too often depended. Here, for example, is the picture which Lord Aberdeen, a weak but high-minded Prime Minister, drew of the diplomatic position which was to create the Crimean War (Stanmore, *Earl of Aberdeen*, pp. 270-1). Writing to a colleague (Graham) he describes how he and his Foreign Secretary are consciously but

miserably drifting into war, hurried along by the ambitions of two men, the one an ally, and the other a public servant, whose character they profoundly distrusted :—

> "I fear I must renounce the sanguine view I have hitherto taken of the Eastern question; for nothing can be more alarming than the present prospect. I thought that we should have been able to conquer Stratford (Lord Stratford de Redcliffe, the bellicose but capable British Ambassador in Constantinople), but I begin to fear that the reverse will be the case, and that he will succeed in defeating us. Although at our wits' end, Clarendon (the Foreign Secretary) and I are still labouring in the course of peace; but really to contend at once with the pride of the Emperor (Louis Napoleon, our ally), the fanaticism of the Turks, and the dishonesty of Stratford, is almost a hopeless attempt."

It was a "hopeless attempt." Lord Aberdeen saw clearly that British interests could be safeguarded without war. What could not be appeased without war was the resentment of Louis Napoleon against the Tsar Nicholas, who had affronted him by treating him as the thing he was—a *parvenu* and an adventurer. War was declared, and the armies of three nations starved and froze and bled before Sevastopol for the pride of Louis Napoleon and the "dishonesty" of a British ambassador. No veneration for the inner ruling caste which has made the wars of Europe, could survive a study of the memoirs which deal with the life of Bismarck, and his suc-

cessor, Prince Hohenlohe. The Hohenlohe Memoirs, given to the world in 1906, expurgated though they were, remind the reader of the books in which our Puritan ancestors used to revel under such titles as *Satan's Invisible World Revealed.* The book is simply a dissection of the personal ambitions and intrigues of the courtiers, generals and ministers, who surrounded the German Emperor during the years when Germany exercised a species of supremacy on the Continent. One may take as typical of the mind of these persons an entry by Prince Hohenlohe regarding the policy of Germany towards France in 1889. There was at this time some serious question of provoking a war with France, and the main reason for hurrying it forward was apparently the eagerness of the German generalissimo, Count Waldersee, a most influential person at court, to reap the glory which is to be had only by leading armies in the field. There was unluckily no obvious pretext for war, but on the other hand Count Waldersee, who was growing old, was obsessed by the painful reflection, that if the inevitable war were postponed much longer he would be compelled, a superannuated veteran, to witness the triumphs of a younger rival. In the end it was found impossible to provide Count Waldersee with a European war, but to the astonishment of mankind, the Kaiser did, before he reached the age-limit, arrange a punitive expedition to China for his benefit. If he reaped no glory by it, the Chinese will not soon forget his prowess against non-combatants and movable property.

The inner history of the Russo-Japanese War is

an even more instructive revelation of the working of the personal factor in foreign affairs. The facts are fully stated in the translation from the first unexpurgated draft of General Kuropatkin's Memoirs which Mr. George Kennan contributed to *McClure's Magazine* for September, 1908. The causes of the war were the refusal of Russia to observe her pledge to evacuate southern Manchuria, and her stealthy encroachment on the Japanese sphere of influence in Northern Korea. These memoirs show that all the Ministers of the Tsar, Count Lamsdorf (Foreign Secretary), M. Witte (Minister of Finance), and General Kuropatkin (Minister of War) were sincerely disposed to evacuate Manchuria, and no less opposed to any advance towards the Yalu river and Korea. They failed, because the timber enterprise, which was the attraction of the Yalu district, was a court venture. These wealthy forests, made over to a Russian promoter in 1896, when the Emperor of Korea was a fugitive in the Russian Legation at Seoul, had passed into the hands of a courtier named Bezobrazoff, an intimate of the Grand Dukes, the Dowager-Empress and the Tsar. The company which he formed to work his concession had several of these people among its shareholders, and there is little doubt that the Tsar himself was interested to the extent of £200,000. Admiral Alexeieff, a creature of Bezobrazoff's, sent to the Far East as Viceroy, overruled the Ministers at home, and conducted the timber enterprise as an Imperial undertaking. It was neither the Russian people nor the Russian bureaucracy which had determined to keep the Yalu district and to fight

Japan for its possession. The resolution to possess it came from a little group of interested courtiers, who were using the national resources to further their private financial ends.

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DIPLOMACY AND FINANCE

There can be no science of foreign politics so long as foreign affairs are in the hands of small cliques, among whom personal caprice is liable at any moment to upset calculations of national interest. What, moreover, are national interests? There is no calculus by which their relative importance is assessed, nor is there any recognised standard by which even democratic states measure the point at which a vast private interest assumes the standing of a national stake. Certain assumptions become a tradition, which is handed on from one generation of diplomatists to another. Such traditions are always plausible. They are constantly repeated, rarely questioned, and their subtle transformation under changing circumstances is apt to go unmarked. Some of these axioms are beyond controversy. The first task of diplomacy is to preserve our national freedom and independence. Second in importance, for this country, comes the duty of preserving the freedom of the seas for our commerce, an interest which is national, not merely because our export trade is vital to us and half the world's carrying trade is in our hands, but also because our food supply depends upon it. Hardly less national is the obligation to further our trade in goods by main-

taining the "open door" for our exports in neutral markets. Directly or indirectly that is the interest of the whole community. The real difficulty of distinguishing between a private and a national interest begins when we consider the duty of our diplomacy to "protect" our subjects abroad. "Protect" is a vague word, which may mean anything from a determination to safeguard our subjects from physical outrage, up to a policy of promoting their efforts to secure concessions. The word bore its simple meaning in the eighteenth century, when we went to war with Spain because Spanish officials in the West Indies had cut off Captain Jenkins' ear. Modern Imperialism is concerned with a Jenkins whose ears are seldom in danger. It is for his investments that he demands protection. The modern extension of the principle was first enunciated by Palmerston in an historic speech in 1850. It seems to hold that a subject residing or trading abroad is entitled to call upon the whole resources of diplomacy, backed if necessary by arms, to defend not only his personal safety but his material interests, if these are threatened by the people or government of the country in which he resides or trades. Palmerston was censured by the House of Lords, violently resisted by the Queen, and opposed in the Commons by such wise Conservatives as Sir Robert Peel, but he carried popular opinion and party votes for his claim that

> "as the Roman in days of old held himself free from indignity when he could say *Civis Romanus sum*, so also a British subject, in whatever land he may be, shall feel confident that the watchful

eye and the strong arm of England will protect him against injustice and wrong."

The case which Palmerston had chosen for the establishment of this principle was painfully, even absurdly remote from any national British interest. Don Pacifico, a Portuguese Jew, resident in Athens, who in some obscure way had acquired British citizenship, had a fantastic claim for financial compensation against the Greek Government. He refused to sue in the Greek courts, called in British diplomatic aid, and so far succeeded, that a British fleet was sent to the Piraeus with a peremptory demand for a settlement. Palmerston's doctrine, looked at askance in his own day, has become the unchallenged dogma not only of our own, but of every other Great Power. In the heroic age Helen's was the face that launched a thousand ships. In our golden age the face wears more often the shrewd features of some Hebrew financier. To defend the interests of Lord Rothschild and his fellow bondholders, Egypt was first occupied, and then practically annexed by Great Britain. To avenge the murder of a missionary by a Chinese mob, the Germans annexed the town of Kiao-chau, and a district stretching one hundred miles inland—the town, it may be remarked, was noted not merely for its dislike of German missionaries, but also for the fact that it is a very valuable port. To protect investors who had speculated in its debt, a foreign financial control was imposed upon Greece. The claims of various financial adventurers, who had grievances against President Castro's Government, induced Britain and Germany to conduct a naval expedition against Venezuela.

When in Persia a civil war broke out between the Shah and his revolted subjects, then Russia, with Sir Edward Grey's assent, claimed and exercised the right to send her troops into Persian territory to protect her subjects from the possible accidents that might befall them in these internal commotions. The comparatively recent history of Turkey tells of a naval expedition undertaken by France to the island of Mytilene to collect a usurious debt due by the Sultan to a pair of Levantine financiers with Italian names (MM. Lorando and Tubini). The extremest case of all is, perhaps, our own South African War. The quarrel between our subjects and Mr. Kruger's Government was extensive, but it turned mainly on two points, the objection of the mining industry to the dynamite monopoly, and the claim of the Outlander community that it should be allowed on easier terms to divest itself of its British citizenship in order to acquire a vote in the Burgher Republic. An odder application of Palmerston's doctrine could hardly be imagined. The *Civis Romanus* conceived it to be his interest to become a barbarian, to weaken the Empire by leaving it, and the Empire actually backed his claim. The law forbids a man to weaken the State by committing suicide, for it is supposed that the subtraction even of one broken life from the sum of its forces is somehow a loss. Here the State actually insisted that British subjects should be encouraged to withdraw their support from the Empire, and it backed its insistence by arms. What the mine-owners really at bottom desired, was cheaper labour, and their effort to acquire political power through the

franchise had no other object. "Good government," as one of them reckoned, would mean two and a half millions a year in dividends. In one way or another capital which expatriates itself will desire to control the territory where it is employed. It is often content with the informal good offices of diplomacy. In graver cases it demands some form of foreign control through foreign employees or a foreign commission. In the Transvaal it thought for a moment of securing its interests by means of the votes of a foreign population composed mainly of its own employees. The same proposal has been put forward (see p. 123) by Lord Cromer as a method of reconciling the claims of foreign finance with Egyptian self-government.

Palmerston's doctrine has, in short, become a pretext which may excuse any and every act of aggression and interference. The extent to which it is carried in any given instance depends not so much on the character of the interest involved and the nature of the injury which it has suffered, as on the mood of the Imperial Power, the weakness of the State assailed, the tolerance of the other Great Powers, and the amount of influence which the interest affected can exert upon the diplomacy of the Power which protects it. The applications of this doctrine are apt to attract attention only when they happen to lead to some catastrophe involving the visible use of force. But for one overt and public application of force, most modern Empires use their strength a hundred times in less violent but equally effectual ways. If a Power coerces once, it may dictate for some years afterwards without re-

quiring to repeat the lesson. It is the first duty of diplomacy abroad to protect the interests of its subjects, and these interests are now usually concentrated in the hands of great banks. The banks in their turn work in concert with the groups of capitalists who are seeking concessions to construct railways and ports, to instal electric plant, to open factories, to work mines, to supply armaments or to subscribe to loans. Palmerston's claim that a State should protect its subjects from "injustice and wrong," sounds plausible. But better than cure is prevention, and the real business of diplomacy is now rather to support these interests, so that no "wrong" shall be done them, than to rescue them by an angry intervention after the wrong has been done. The methods by which support is given vary indefinitely, and each Power has its own characteristic technique. Sometimes the financier is merely introduced and recommended to the notice of a foreign Government, and this process is clearly simplified when the venture has at its head some noted social or political figure. A British bank operating in Egypt chooses Lord Milner as its Chairman. A bank which aims at serving Turkey has at its head Sir Ernest Cassel, who was often King Edward's host. Lord Cowdray, battling in Latin America against the Standard Oil Trust for concessions, sends out as his ambassador the late Whip of the Liberal Party. "Protection" in such cases means often much more than support against the Government of the weak and possibly unscrupulous State in which our financiers are operating. It means also support against European rivals, who in their turn have

diplomatic backing. In Turkey rival embassies compete like business houses for concessions, loans and orders, and mix inextricably their politics with their finance. The French and German ambassadors in Constantinople engage in an incessant conflict over the right to supply Turkey with armaments from the forges of Creusot or Essen. The banks take their share in the competition, and the usual procedure now is that Turkey is offered a loan by a French or German bank on condition that the proceeds are expended in buying cannon as the case may be from Schneider or Krupp. Austria has been known to make it a condition of concluding a tariff treaty with Servia that she should buy her cannon from the Austrian works at Skoda. Our recent *rapprochement* with Spain, which included a royal marriage, a treaty for the defence of the Spanish coasts, and some protection for Spanish interests in Morocco, was completed by the re-building of the Spanish navy by British firms.

To conduct these complicated negotiations with any prospect of success, the Great Powers are necessarily driven to take a hand in the internal politics of the country which they are assisting their financiers to exploit. We make partisans, for whose coming to power we hope and are occasionally supposed to scheme, and for whose fall we penalise the party which overthrew them. Kiamil Pasha in Turkey and Yuan-shi-kai in China were notoriously Anglophil. They were for the *Times* the only trustworthy reformers in their respective lands, and the disinterested opinion of the City, a nice judge in such matters, paid homage to their " Liberalism."

When they fell from power, the *Times* promptly despaired of the future of Turkey and China. It happened, for example, after Yuan-shi-kai's last fall from power, that a loan and railway concession in Canton, worth some £3,000,000, went to a German instead of a Franco-British syndicate. Our Ambassador at once protested against the signing of the contract, and when his protest failed, the correspondent of the *Times* in Peking predicted that the consequence would be to "alienate the sympathy of the British Government," on whose "support" in her various diplomatic troubles, China need no longer count. (April 9, 1909.) For some years after this curious episode, our diplomacy worked in concert with that of other Powers through a close monopoly (see the *Times*, leading article, December 16, 1913). China was forbidden to borrow save from what was known as the Five Power group of banks. British finance in China operated through this strict monopoly, and our diplomacy refused to countenance and indeed opposed any attempt by any other group of British capitalists to deal with the Chinese. This was practically to make our banking and financing an official service, a function of the British Government. The system in the end broke down under Chinese opposition, and once more our diplomacy is supporting unofficial finance in the scramble for concessions. How normal this support is now felt to be may be deduced from the quiet sentence in which the *Times* describes the present state of things. "The field," it writes, "is thrown open to private enterprise seeking to obtain railway, industrial or similar concessions, and the

Government of any country is free to support its nationals in their application for such concessions as are adjudged to have merit." There is apparently no lack of merit among British proposals, for we learn that Messrs. Pauling (represented by Lord Ffrench) have obtained a railway concession, while Messrs. Lever, Brunner Mond & Crosfield have combined to found a vast factory which will supply all China with soap. These concessions, as the *Times* says of the railways, must be meritorious since our Government supported them; and it must have supported them, for otherwise they could not have been obtained. Such instances as these bring us sharply back to the enquiry from which we started. What is a national interest? How in particular are the interests of the people of these islands advanced when a group of Liberal capitalists succeeds in manufacturing in China, with cheap native labour, soap which used to be produced at Warrington at Trade Union rates and exported to China in British ships? It is possible that the electors of Warrington and Port Sunlight might not feel that their taxes were advantageously employed in "protecting" such enterprises as this. But apart from this curious instance, destined in all probability to become increasingly common, the whole practice of using diplomacy (with the fleet behind it) to procure concessions for British capitalists raises questions which have never been considered by Parliament or public opinion. It is a wholly modern extension of the rights of the *Civis Romanus*, and an extension which usually benefits no one but the capitalist. But to what ideas of nationality have

we sunk, when the people of China may be told, that they, millions of human beings struggling towards self-government reaching blindly out towards Western ideals, menaced by the aggressions of predatory empires, and in need of every kind of brotherly aid, will forfeit the good will of a Government which in its turn represents millions of quite disinterested and moderately benevolent human beings in these islands, if it does not give a concession to a British bank or a British contractor? The whole practice is a degradation of national intercourse and an offence as much to our own national self-respect as to the independence of the Chinese. It is moreover a perversion of the objects for which the State exists, that the power and prestige, for which all of us pay, should be used to win profits for private adventurers. The hunting of concessions abroad and the exploitation of the potential riches of weak states and dying empires is fast becoming an official enterprise, a national business. We are engaged in Imperial trading, with the flag as its indispensable asset, but the profits go exclusively into private pockets.

This Imperial trading has its questionable aspects from the standpoints of the British public and also of the nation with which our diplomacy deals. But it has another consequence which is no less serious. It brings us continually into conflict with the diplomacy of other Powers which are engaged in competing for the same concessions on behalf of their own financiers. It is not the rivalry of merchants engaged in selling goods which makes ill-feeling between nations. The merchant rarely

invokes diplomatic aid to enable him to keep or secure a customer. The trouble arises only over concessions, loans and monopolies which bring the European financier into relations with a foreign Government. The rivalry is indeed felt to be so intolerable and so risky, that modern diplomacy now seeks wherever possible to avoid it, by mapping out exclusive areas of exploitation, "penetration," or "influence." When a claim to a national monopoly of this kind is once recognised by all the competing Powers, the result is of course to diminish the friction between them. The concord of Europe is saved at the expense of the independence of the exploited State—for a Power which holds such a monopoly is able at once to dictate to the local Government, and it usually manages to "control" its finances and to "organise" its police. The partition of Persia is the most notorious instance of this development. Our rather shadowy claim to exclusive "influence" in the Yangtse Valley, the richest area of China, has not yet been admitted by other Powers, and it may one day cost us a struggle to enforce it. In Asiatic Turkey the informal demarcation of spheres has gone further than in China. One may say vaguely that Syria is French, Anatolia German, Armenia Russian, and that Mesopotamia and Arabia are British, but there is much overlapping and no general agreement about boundaries; and Italy, if the partition is long postponed, may be able to make good a claim to Cilicia. A new phase of this competition has just developed in Latin America, with an interpretation of the Monroe Doctrine put forward by President Wilson

which seems to mean that no European capitalists may henceforward obtain concessions in the American Continent without encountering American opposition. President Wilson is an idealist, and what he personally meant was that the granting of any concessions to foreigners is a danger to the independence of the State which accords them. In practice, however, such a doctrine would probably mean opposition to European and support for American financiers. If it is to be strictly enforced, it would mean that the United States claims the whole of Latin America as its exclusive sphere of economic penetration. In that doctrine Europe is not likely to acquiesce, and America may soon be the field of a conflict as acute as any that Turkey and China have witnessed. Diplomacy in these rivalries becomes the tool of the vast aggregations of modern capital in oil trusts, steel trusts and money trusts, and wherever rival combinations of capital are competing, as British and American oil companies compete in Central America, the reaction will be felt in the relations of their Governments. The struggle for a balance of power is in effect a struggle to map out these exclusive areas of financial penetration. To this end are the working classes in all countries taxed and regimented in conscript armies; for armies and fleets are the material arguments behind this financial diplomacy.

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THE EXPORT OF CAPITAL

To a community like Russia, which is still in a primitive agricultural stage of development, actual

conquest is the aim with which armies are strengthened and diplomacy conducted. To the landed class, which alone rules in these communities, broad cares and numerous serfs are the most natural expressions of wealth. It conquers and arms to acquire estates. With the development of manufactures and oversea trade, these cruder views are discarded. The landed class retains for a time its hereditary bias to think in terms of actual possession. But little by little the commercial standpoint modifies the attitude even of the aristocracy. A trading community like Early Victorian England, which can still profitably employ all its capital in its mills and ships, becomes indifferent to the acquisition of territory, and even tends to regard the colonies previously acquired as a useless encumbrance. That was the normal state of mind of our commercial classes during the middle years of last century. They dealt in goods, and in order to sell goods abroad, it was not necessary either to colonise or to conquer. To this phase belongs the typical foreign policy of Liberalism, with its watchwords of peace, non-intervention, and free trade. The third phase, the modern phase, begins when capital has accumulated in large fortunes, when the rate of interest at home begins to fall, and the discovery is made that investments abroad in unsettled countries with populations more easily exploited than our own, offer swifter and bigger returns. It is the epoch of concession hunting, of coolie labour, of chartered companies, of railway construction, of loans to semi-civilised Powers, of the "opening up" of "dying empires." At this phase the export of

capital has become to the ruling class more important and more attractive than the export of goods. The Manchester School disappears, and even the Liberals accept Imperialism. It is, however, no longer the simple and barbaric Imperialism of the agricultural stage. Its prime motive is not to acquire land, though in the end it often lapses into this elementary form of conquest. It aims rather at pegging out spheres of influence and at that sort of stealthy conquest which is called "pacific penetration." The old Imperialism levied tribute; the new Imperialism lends money at interest.

The typical exponents of Liberal foreign policy, notably Cobden, were perfectly conscious of the connection between their economics and their international ideal. Their policy was primarily a statement of the relations which ought to subsist between Lancashire and its foreign markets. Lancashire had outgrown its purely predatory phase in earlier generations. It had destroyed its trade rivals in Ireland and India by means of tariffs. It could now afford to ignore the possibility of competition. It stood therefore for free trade and the open door the world over. It had nothing to gain from Imperialism or conquest. One can sell cotton to negroes or Chinamen without troubling to conquer them. To attempt to conquer, where one can trade without conquest, is a sheer squandering of national resources. Even the colonies were of no obvious use, and might, if they chose, follow the example of the United States amid the good-will and indifference of the mother country, which would still buy and sell in their ports if they became independent. Seeking no

conquests for itself, this School objected to the conquests of other empires which were apt to disturb trade, to close "open doors," and to interfere with its clients. Secure in its riches and its constitutional liberties and conscious of its virtues, the Manchester School desired to see the rest of the world reorganise itself on a British model. Free Trade was a universal dogma; Parliamentary rule a cure-all for every civil mischief, and the Protestant religion a faith to be inculcated the world over by Bible Societies and missionary organisations. Its propaganda was, however, passive. Liberal England was in the main content to watch the progress of Continental movements towards national and constitutional liberty with benevolent neutrality. It felt no such impulse to liberate the world as had animated revolutionary France. Meetings were held for Garibaldi and Kossuth, but it was Louis Napoleon and not Free Trade England who used his armies to drive the Austrians out of Italy. Palmerston would assuredly have gone much beyond benevolent neutrality, but the general feeling of the middle-classes was against active intervention in the affairs of the Continent. Our fathers had their sympathies and their opinions, and it was their pride to express them boldly. But even on behalf of a "small people rightly struggling to be free," crusading had no part in the policy of a mercantile community.

It was not a heroic creed, but it made for peace, it discreetly promoted liberty, and it held in check the spirit of conquest and militarism. War it regarded as waste, and armaments as unproductive

expenditure. Exchange, fairly and honestly conducted, is a reciprocal benefit, and it was the best aspect of this historic Liberalism that it cultivated no spirit of grudging or envious rivalry. If other nations prospered, the chances were that they would be for that reason better customers for our exports, and better producers of our raw material. On the basis of this enlightened selfishness there grew up a real spirit of benevolence. Interests were involved in all these calculations, but they were much more nearly national interests than those which Imperialism obeys. If a cotton-manufacturer exports his wares to Egypt, the transaction is a gain in some degree to large numbers of persons in both countries —to the workers in Lancashire, to the seamen who carry the wares, and to the peasants in Egypt. But if a financier lends money to the Khedive of Egypt, no direct share of the profits comes to the English worker in wages, while the Egyptian peasant is heavily taxed to find the interest. In producing goods a mercantile community has constantly in its mind the existence and well-being of its clients. A bad harvest, a famine, an earthquake will have an adverse effect upon trade, and, above all, political troubles and misgovernment will in the end impoverish the foreign clients of the English mill. Such considerations as this made indirectly for freedom and for humanity. The concession-hunter who obtained the right to invest his capital in Turkey by lavishing bribes on the courtiers of Abdul Hamid, was necessarily indifferent to the welfare of the Turkish nation. Indeed it was simpler for him to have a corrupt central despotism to deal with. It

cost him something in bribes, but on the other hand no free or national Government would have given its assent to the unconscionable bargains which European capitalists were able during some thirty years to drive at Constantinople. Lancashire, trading, as it does, mainly through Armenian merchants and agents, realised very clearly that bad government meant bad trade. German finance, mainly interested in banks and railways, preferred to have the despot's goodwill. English commerce objected very strongly to the massacre of its best salesmen and customers. That is possibly a somewhat crude way of representing the influence of interest on sentiment. It would perhaps be fairer to say that commerce in goods is no obstacle to the natural play of sentiments of humanity and goodwill in international politics. Free-trading England was firmly convinced that liberty was necessary to good government and good government to prosperity. Desiring the prosperity of its customers, it wished that its diplomacy should promote their freedom so far as prudence and safety allowed. Liberalism was at both ends a popular policy. The interest of a whole nation of producers and traders was its concern. On the interest of a whole nation of foreign consumers its thoughts were naturally bent. To it peoples rather than territorities or governments were the reality. Peoples buy cotton, governments only want loans.

These economic considerations were no doubt seldom consciously present to the minds of statesmen. Still less were they often stated in speeches or leading articles. Oratory preferred, of course,

to take higher ground, and to assume that politics are conducted on a basis of abstract right and disinterested sentiment. Nor need we suppose that the disinterested sentiments expounded by such idealistic Liberals as Gladstone were coloured by such calculations as these. But it was these calculations which gave the sentiments their opportunity and their vogue. A prophet of the religion of humanity would have preached in vain either to a feudal caste which thought of the world overseas as so much land to conquer, or to financial groups which thought of it simply as a field for their investments. An audience of manufacturers on the other hand was probably flattered to find that its own pedestrian habits of thoughts coincided so nearly with the dictates of an elevated altruism. It was quite ready to believe that the Armenians were its suffering brethren, because it already regarded them as its customers. Napoleon called us a nation of shopkeepers. Shopkeepers have this merit, that they are bound to desire the prosperity of their clients. The usurer on the other hand is often best served by the bankruptcy of his victim—provided of course that diplomacy will help him to foreclose.

The strength of the old free-trading, anti-Imperialist Liberalism lay in this fortunate duality. It combined philanthropy with business. It believed in freedom for other races and in opportunity for its own trade. These two things, so far from being incompatible, are usually found together, and may quite honestly be sought together. The Congo Reform Movement is perhaps the aptest illustration

of their consistency. The majority of those who supported this movement in the churches and in Parliament were of course, entirely disinterested. They were thinking solely of the miseries of the natives whom King Leopold and his financiers exploit. The movement is a survival in an epoch of Imperialism of the spirit which made an end of the slave trade. But this movement would never have attained the success which it has won, nor would it have impressed itself to such a degree upon the Foreign Office, had its origin been purely humanitarian. The plain fact, and not at all a discreditable fact, is that it was largely supported by Liverpool merchants engaged in the West African Trade, and by British Chambers of Commerce. It secured the attention of the Foreign Office because its programme was based on a demand for better facilities for British trade. There has never been any attempt to conceal this commercial aspect of the Congo movement, nor does it stand in any need of apology.[1] The whole Congo affair is a perfect illustration of the main thesis of Liberal foreign policy—that free trade in goods is an interest consistent with humanity. The beginning and end of Congo misrule consisted in this—that a group of Belgian financiers, with King Leopold at its head, carved out this vast territory into domains and concession-areas. In each of these the King or the companies enjoyed a monopoly. They did not trade, for there was no exchange of goods. They spent a certain capital upon

[1] See Mr. E. D. Morel's *King Leopold's Rule in Africa* (Heinemann, 1904), pp. x., xi., and his *Red Rubber* (Unwin, 1906), p. 205.

river gunboats, the building of stations and railways and the arming of savage native levies. In return they claimed as their own the land and its produce (that is to say the rubber), and under the guise of a labour tax, set the natives to collect it. This was not trade. It was high Imperialist finance in a peculiarly brutal form. Incidentally they excluded from their monopoly areas all foreign traders, and indeed there was no possibility of trade, since nothing was left for the natives to sell. The only thing which they could have sold was the rubber, and this was appropriated by the financiers in Belgium. The standpoint of the Liverpool merchant was an entirely proper one. He is a trader and a shipper. He wanted to do business with the Congo natives as he does with the natives of the Gold Coast. He would have exported cottons in return for rubber. The Belgian monopoly stood in his way, and he argued, fairly enough (1) that the monopoly was a breach of treaty rights and (2) that its consequences were hideous to the natives themselves. One need not enquire what was the relative importance of the two issues to the Foreign Office and to Liverpool. The point to note is that in pursuing a traditional free trade policy, and in backing British trading interests, the Foreign Office was really serving the cause of the natives. They could not become prosperous or free until they were delivered from this monopoly; incidentally their prosperity and freedom would benefit our West African trade. Here the essential antagonism between the financier who uses his capital to exploit native labour, and the trader who uses his capital

to develop a system of exchange between natives and Europeans, stands clearly revealed. Neither the trader nor the financier is disinterested. But the interests of the one are as consistent with those of the native, as the interests of the other are inimical to them. John Stuart Mill roundly denied that one nation can ever govern another ; a nation may, however, keep another people as a human cattle farm. The Congo was not even a well-managed farm. It was destined eventually to become a colony of the Belgian State. While it remained the property of King Leopold, his one concern was to extract from it as rapidly as possible the millions which he invested on real estate, squandered on showy palaces and triumphal arches, or spent on the pursuit of beauty in a frankly personal form. As for the companies their shares rose while the native population declined. Lord Cromer once declared that the unwavering pursuit of interests assumed to be national is the sole object of a foreign policy, and yet he assisted the Congo movement. There was no inconsistency here. The foreign policy of a trading nation may be consistent with freedom, so long as its main interest is export and exchange of goods. It is with the export of capital that Imperialism begins. There is no transition from disinterestedness to what the Germans call "real politics" in the passage from the Manchester School to modern Imperialism. Each alike rests on a calculation of interests. What has changed is the nature of the export.

A critic belonging to the Manchester School might object that this antithesis between the export of

goods and the export of capital is exaggerated and even false. The process of exporting capital, he would argue, cannot be isolated from the process of exporting goods. Lend money to the Argentine to build a railway, and what you really export is not gold but rails, while the interest comes back not as gold but as meat. This is of course as true as it is elementary, though the process is rarely so simple as this. What really takes place is a rather complicated series of transactions, carried out on an elaborate credit basis, at each stage of which the financier and the promoter makes his commissions and his additional profits. The French Périer Bank the other day lent a million pounds to the Turkish Government, which it used to pay the first instalment of the purchase price of a Dreadnought cruiser built in Newcastle. A few days later it was announced that the same bank, obviously as a part of its commission, had obtained a concession for a railway from Smyrna to the Dardanelles. While we must admit that the export of capital could not be carried out without some movement of goods, there is still a sharp distinction to be made between the financier's transaction and simple exchange of goods from the standpoint of the sociology of class. Commerce carried on upon an elaborate structure of credit is more profitable to the investing classes than the simpler exchanges which take place between nations on an equal level of economic development. If we send Welsh coal to France, and receive artificial flowers in exchange, capital makes two profits —the English colliery owner's profit, and the French sweater's profit. But if we lend money to the

Argentine, and with it she buys rails here, and afterwards sends out meat to be sold here so that the interest on the loan may be paid, then capital has made three profits—the English steel trade's profit, the Argentine meat trade's profit and the English banker's and investor's profit. It is this third profit which our leisured class chiefly values, and to develop the sort of commerce which requires this credit basis, that is to say commerce with weaker debtor nations, is the object of Imperialism.

There remains the question of how far or in what sense this constant acquisition of economic opportunity by political pressure which is called Imperialism can be justified by any kind of national bookkeeping, however sordid. Does the whole body of taxpayers profit by it to an extent commensurate with the sacrifices which they make to maintain the army and the fleet which are its ultimate sanctions? Sir Robert Giffen, a Conservative statistician of unrivalled authority, has brought together the figures required for the study of this question, and Mr. J. A. Hobson has analysed them fully and clearly in his masterly work on "Imperialism," one of the most notable contributions of our time to the scientific study of contemporary politics. How far then does Imperialism promote trade, in the sense of the only kind of trade which can be considered a diffused and relatively national interest, the exchange of goods. The essential facts may be set out somewhat thus, for the period of expansion with which Sir Robert Giffen deals, the last quarter of last century:—

The area of our Empire in this period was increased by about one-third.

The national income rose during this period by about one-fifth, or 20 per cent. per head of the population.

This increase of income was not due to a corresponding increase of our external trade. Measured indeed in so many pounds per head of the population of these islands, the annual value of our external trade slightly dwindled (from £19 19s. 3d. during the five years 1870–4, to £19 7s. 10d. during the four years 1895–8).

In this external trade, the colonies occupy, relatively, a slightly less important place at the end of the period, than they did at the beginning.

The colonies themselves have become less exclusively dependent on us, than they were when the period of expansion began.

The progressive element in our trade has been our exchange with foreign countries and neutral markets.

Clearly, then, in so far as Imperialism means the acquisition of territory, it does not justify itself as a means of making or keeping "trade," if trade means the exchange of goods. Trade then supplies no explanation of Imperialism.

If trade fails as an explanation of modern Imperialistic expansion, emigration has even less to do with it. Of all the territory acquired or occupied by us during the most active period of expansion, only the Boer Republics are fitted to be a permanent habitation for a white race, but even in them English labour rarely makes a home. It is not a fact that Great Britain is over-populated. Its population is less dense than that of certain areas of Germany

and the Netherlands, and we are all realising that a drastic policy of land reform would enable us to "colonise England." Statistics show that emigration during this period of active Imperialism has steadily diminished, and it is still true that half of it goes, not to colonies under our own flag, but to the United States. The same phenomena may be witnessed in Germany. There also the population is increasing both by natural growth and by immigration, but emigration has diminished, and no appreciable number of emigrants goes to the new German colonies, which are all unsuitable for settlement by a white race. But it is the recent history of France which shows with luminous clearness how factitious is the growth of modern Imperialism, how small is the group which promotes it or profits by it, how purely capitalistic it is in its origins and motives. No nation ever had more clearly marked out for it, as its destiny, the happy fate of "cultivating its own garden." France has no teeming population for which she must find colonies. To her case the metaphor of the beehive and the swarm has no application. Her population is stationary, and would actually dwindle were it not maintained by the influx of alien immigration. Her "garden" is fertile, her climate various. Nor does her national genius lead her to make gross produce for which uncultured peoples offer the natural market. Her speciality is to make ingenious and beautiful things for civilised men. These wares are not bulky, and therefore she needs neither a great mercantile marine nor a great navy to protect it. But her industry and her habits of thrift cause her to accumulate

capital with immense rapidity. Had she employed that capital at home, the rate of interest must have fallen to an almost nominal level. To the possessing classes foreign investment became therefore the absorbing concern. Save in Russia, the struggle to acquire land for purposes of genuine colonisation came to an end with the Napoleonic wars which gave us South Africa.

What then is the economic meaning of Imperialism? It is only when we turn from the figures of trade to the figures which measure the export of capital, that statistics begin to correspond with our expansion, and our book-keeping to bear some relation to our aggressions. Mr. Mulhall calculated for the *Dictionary of Political Economy* that our foreign and colonial investments grew between 1882 and 1893 at the prodigious rate of 74 per cent. per annum. But the decisive evidence is supplied by Sir Robert Giffen. Taking the year 1899, he reckoned that the profits on all our external trade in goods, both foreign and colonial, amounted only to 18 millions sterling. The profit on foreign and colonial investments in the same year he puts at between 90 and 100 millions sterling. The former figure takes no account of the sum which our foreign trade represented to the nation at large in wages and salaries. It does, however, give the measure of the gain which it brought to the governing class, the capitalists, directors and shareholders who conducted this national business for their profit. The other figure of 90 or 100 millions from investments may be considered as the tribute which this same class drew from its investments abroad. The total is rising rapidly. Ten years

later, as Sir George Paish stated in a paper which he read to the Royal Statistical Society, our profits from foreign and colonial investments amounted to 140 millions. One no longer enquires why the unaggressive, anti-militarist, anti-Imperialist Liberalism of the free-trading England which was content to take Cobden as its guide, has given place to the expansionist, militarist, financially minded Imperalism of to-day. Regarded as a national undertaking Imperialism does not pay. Regarded as a means of assuring unearned incomes to the governing class, it emphatically does pay. It is not true that trade follows the flag. It is true that the flag follows investments. The trader is in a sense a nomad. If one market begins to fail him, he turns to another. If a country to which he used to export goods is torn by civil war or threatened with bankruptcy, he does not call for intervention. He goes elsewhere, or waits for better times. The investor on the other hand has acquired "a stake" in some foreign country, and anchored his fortunes irrevocably upon it. Unless he is prepared to lose his stake, he must, if the country in question goes bankrupt or is threatened by civil war or revolution, call in the Imperial arm to defend him. It is sometimes said that our navy is an "insurance" for our mercantile shipping, since it protects it from piracy or from capture in time of war. It would be more accurate to say that both our navy and our army overseas are an insurance, provided and maintained by the nation at large, for the capital owned abroad by our leisured class.

Here at length we have discovered the stake

which an armed Imperialism watches and seeks to enlarge. The fear of war, the struggle for a balance of power, the competition in armaments which in Sir Edward Grey's phrase threatens to " submerge civilisation," the universal nightmare amid which we are " rattling into barbarism "—all this is seen to be a characteristic product of modern finance and modern capitalism. It makes the slum and it makes the *Dreadnought*. One may go further. It makes the *Dreadnought* because it made the slum. Imperialism is simply the political manifestation of the growing tendency of capital accumulated in the more civilised industrial countries to export itself to the less civilised and the less settled. To secure itself, it seeks to subdue or to " civilise " its new fields of investment—as it understands " civilisation." In crossing the seas and entering new lands, it must take with it the machinery which renders the process of capitalist exploitation profitable and secure—its laws of debtor and creditor, its police for the protection of property, its armaments and its administrators.

Why, then, is it that capital seeks to export itself ? There are many cogent reasons abroad. At home the fundamental fact is the rapid accumulation of surplus capital. It grows in the hands of trust magnates, bankers, and ground landlords more rapidly than the demand for it at home. It tries continually to get itself employed at home, and the result is that periodic over-production, which shows itself in a " slump " of trade and a crisis of unemployment. Capital, like labour, has its periods of unemployment, and its favourite method of meeting

them is emigration. When rates of interest fall at home, it begins to look abroad for something at once unremunerative, and not too risky, and it is to diplomacy that it turns to protect it from risks. If, further, we go on to ask why capital cannot get itself profitably employed at home as fast as it is accumulated, the answer is briefly that its too rapid accumulation has stood in the way of a simultaneous development of the consumers who might have given it employment. Had a little more of the profits of a trade " boom " gone to labour, and a little less to capital, it is manifest that labour would have had more money to spend, and the new surplus capital —less considerable in amount—might have been employed in meeting this new demand. The shareholders of a Lancashire mill make their 35 per cent. in a good year—such cases occur. Had they and their fellows been content with something less than 35 per cent., and added to wages what they subtracted from dividends, the workers all over the country would have been spending more than before on the necessaries and the luxuries which these mills provide. There need then have been no slump, and the new capital might even have been used to make more cotton goods for the home market. But the shareholders insist on their 35 per cent., and the workers are foolish enough, or weak enough, to let them take it. What, then, is the too fortunate shareholder to do with his money? He spends as much as he can on motor-cars and grouse-moors, town-houses and domestic display. But even to this, unless he is a mere spendthrift, there is a limit. He, therefore, invests what he is pleased

to call his "savings"—meaning by that term the money which he has saved from other people's wages, and failed to expend on his own pleasures. The home market is "glutted"—which means that the masses have nothing more to spend. He, therefore, looks abroad. An Egyptian Khedive wants money to squander on ballet-girls and palaces and operas. Japan wants money to build ironclads. Russia wants money to pay for the repression of her subjects. Or perhaps gold has been discovered in Ashanti, or the niggers of West Africa have developed a taste for gin. Into such enterprises goes the capital that cannot find employment at home. The reason for the too rapid export of capital abroad is, in short, the bad division of wealth at home. For there is "work" enough in these islands to "employ" more than all their surplus capital, if only the consuming power of the masses could be increased. Raise wages, raise with them the standard of comfort, and this restless capital need no longer wander abroad. There ought to be enough for it to do at home. It might build working-class dwellings in reclaimed slums instead of palaces for an Egyptian Khedive. It might "colonise England" instead of speculating in tropical land. It might exert itself in providing the English labourer with a more frequent change of clean shirts for his back and clean sheets for his bed, instead of enabling the Russian Government to build in Russian dockyards at an extravagant cost warships which it does not need, to be navigated by sailors whose only hope is mutiny and revolt. Capital conducts itself to-day much as the primitive agriculturist behaves. It

must be for ever conquering fresh territory and bringing new fields under culture, simply because it does not know how to make a good use of the fields it already possesses. The primitive farmer—in Russia, for example—must become a conqueror, because he has never learned to apply manure. The capitalist must rush abroad, because he will not fertilise the demand for more commodities at home by the simple expedient of raising wages.

The other reason which is most potent in inducing capital to flow abroad is the elementary fact that coloured labour can be more ruthlessly exploited than white, that the supposed risks of a foreign investment enable him to charge usurious interest, and that on both grounds the profits to be made abroad are greater than the profits to be made at home.

In one of the classics of the Imperialist muse, Mr. Rudyard Kipling remarks that there are no ten commandments east of Suez. That may be an attraction to Tommy Atkins. The capitalist hears the East 'a calling mainly because there are no Factory Acts east of Suez. That was literally true of Egypt while Lord Cromer reigned.[1] In India there is a beginning of factory legislation, badly drafted and ill-enforced. The conditions which prevail were recently investigated by a Factory Labour Commission. From the evidence collected by it, I cite the following facts :[2]

Operatives in ginning factories have on occasion

[1] See page 114.

[2] See especially the able report of the medical member, Dr. T. M. Nair, dated Simla, May, 1908.

to work 17 and 18 hours a day, and in rice and flour mills 20 or even 22 hours.

In printing works men have had to work 22 hours a day for seven consecutive days.

In the cotton mills of Bombay the hours regularly worked are in some cases 13, in others 14, and others 14½ a day from one end of a month to the other.

In Agra the regular hours are 15¼ in summer, and in winter (because light costs money) 13¾.

The jute mills of Calcutta work, with few exceptions, 15 hours a day.

The wages of an adult male mill operative, working 13, 14 or 15 hours a day, vary from 15 to 20 rupees a month (*i.e.*, from £1 to £1 6s. 8d.). Labour, in other words (even if we admit that its low grade of skill balances the long hours), is therefore four or five times as cheap in Bombay and Calcutta as in Manchester and Dundee. That is one cogent reason why capital exports itself. If the labour were only more abundant and more skilled, there would be no limit to this exportation of capital.

Another great inducement is the ease with which in countries like Turkey or China a nation can, in plain words, be robbed. It was while travelling on a Turkish railway that this elementary fact came home to me. It seemed as though the line had laid itself across the countryside in the track of some writhing serpent. It curled in sinuous folds, it described enormous arcs, it bent and doubled so that a passing train resembled nothing so much as a kitten in pursuit of its own tail. Yet the country was a vast level plain. There were neither mountains nor rivers to avoid. Save for the obligation of

serving towns in its course, most engineers in planning such a railway would simply have taken a ruler and drawn a straight line across the map. And oddly enough this railway did not seem to serve any visible town. Indeed, a plausible theory of its gyrations and its undulations might have been that it was desperately trying to dodge the towns. Stations, indeed, there were, but they were at every conceivable distance from the centres of population—one, two, or even five miles away. The explanation was simple enough when one heard it. The railway had indeed been constructed by a private company, and was owned by this company. But the concession included what is called a kilometric guarantee. In order to induce the European financiers—who all the while were bribing and competing to obtain the favour—to perform the onerous work of "opening up Turkey," the Government agreed to guarantee to the fortunate company an assured profit, reckoned at so much on every mile or kilometre of rails which it laid down. Hence the astounding performances of the line in crossing the level plains, where rails can be laid down cheaply. Every unnecessary curve means so many miles added to the total length of the line, and so many hundreds or thousands of pounds to its annual guaranteed profits. It avoids the towns because it has no interest in catering for traffic or serving the general good. Whether it carries one passenger or a hundred, whether it runs two trains a week or several in a day, the financial result is the same—a fixed profit on every mile. The concession, of course, cost something fairly considerable in bribes, but for that modest outlay how rich is the

return! Nor is this the end. In order to make certain that the Turkish Government will pay this annual tribute, the tithes of the luckless provinces through which it passes are mortgaged. Be the season good or bad, whether famine rages or massacre decimates, and whatever the deficit in Constantinople itself may be, so much of the tithes of grain are annually set aside, a first charge on the whole amount, to assure the punctual payment of this debt. And, further, since the financiers know only too well how corrupt Turkish officials are, the collection of this mortgaged revenue is placed in the hands of some European official responsible ultimately to the great Powers. Behind him are the embassies, and behind the embassies are the fleets of all Europe, which would steam at a few hours' notice to Turkish waters, if there were any delay or hesitation in paying over the revenues mortgaged to European railway companies or to the holders of Turkish bonds. Diplomacy and armaments are, in a word, employed to enforce the unconscionable and usurious bargains which Baron Hirsch and his imitators have struck, by means of bribery with Turkish Ministers whose hands no honourable man would condescend to shake. The Turkish peasant earns the tithe at one end of this international process of exploitation; the European workman pays for the fleet which is its sanction at the other. The most ingenious aspect of the whole transaction is that the financiers extort a high rate of interest on the ground that Turkey is a disturbed and more or less insolvent country in which no investments are safe, and then contrive with the aid of diplomacy and the financial control

to obtain for their enterprise a security which no investments possess in older countries. In China, in Egypt, and in Persia the same magic is repeated. Unaided capital and private enterprise could not achieve this magical transformation. It is private enterprise backed by diplomacy and armaments which works the miracle.

This is, in brief, the answer to the question why capital shows so marked a tendency to export itself abroad. On the one hand, capital accumulates in a civilised country so fast that the standard of living of the working classes, and their demands as consumers, do not keep pace with it. On the other hand it seeks abroad for labour which can be even more easily and ruthlessly exploited than that of Western lands. These are the two economic roots of Imperialism. To complete our survey of the motives of "real politics," it is necessary to glance at two powerful but secondary interests which Imperialism calls into action as it develops. There is first of all the social pressure due to the fact that Imperialism makes careers for "younger sons." Distant possessions have to be administered, and native levies must be officered. Even in James Mill's time—and few men knew India better—this was so obvious that he defined the empire as a system of out-door relief for the upper classes. A peer may hope for anything from a viceroy's almost regal glory to the decent splendours that attend the governor of some minor colony. The posts in the Army and the Civil Services have long been so numerous that they are opened to the sons of the prosperous middle classes. To these people India and Egypt have acquired at

last a real meaning—they are the places where a son, a brother, or at the least a cousin, is "doing well." Every demand for self-government in India or Egypt is a blow at the vested interests of that comfortable family in Kensington or Yorkshire. Every revolt threatens, it may be, the life of their nearest and dearest. There must be tens of thousands of families, all relatively wealthy, influential and well educated, to whom the sudden ending of the Empire would mean financial ruin and social extinction. The larger the Empire grows, the more numerous are the posts which it has to offer. The well-known facts about India supply some measure of this enormous force, half-social, half-economic, which makes for Imperialism. The annual drain of wealth from India, the indirect tribute which it pays to the ruling class at home, is believed to amount to about thirty millions sterling, consisting of the interest on capital sunk in India or lent to India, of pensions paid to ex-Anglo-Indians now resident at home, and of remittances sent home by Anglo-Indians resident in India. This sum is, of course, in great part a payment for real services rendered by Englishmen to India, but the rate of remuneration is high, and the services are sometimes such as Indians do not desire and often such as natives could more cheaply perform. It differs from similar payments made to capitalists, officials and officers at home chiefly in this, that it is spent not in India but in a foreign country. In that sense it is a tribute, a sum of wealth annually withdrawn from India and spent for the advantage of Englishmen in England. When Imperialists argue that our rule is providen-

tially necessary to India, it is well to remember that their judgment on such a point is biassed by the fact that our rule in India is also very profitable to ourselves. The upper classes could better afford to dispense with the profits of all our foreign sea-borne trade in goods (18 millions) than with the profits of Empire (30 millions) in this one region. Enquire why it is that, despite the wearisome eulogies on the martial virtues and the proved loyalty of Sikhs and Moslems, native Indians are not allowed to hold commissions in the Indian army above subaltern rank, and the only candid answer will be that the closing of these posts to the young men of the English upper and middle classes would not be tolerated by public opinion at home. The same influences have restricted the efforts made by reforming viceroys to admit a larger proportion of Indians to the Civil Service. The real obstacle to their employment in its higher branches is not so much the supposed weakness of Indian character, as the interest of the educated class in England.

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THE TRADE IN WAR

The influence of another powerful economic factor upon the growth of Imperialism has always been suspected, and it has lately been the subject of careful study, both in our own country and in Germany. A spirited or apprehensive foreign policy (the two words mean in this connection the same thing) involves an increase of armaments; this increase creates a great industry, which naturally uses the whole of its influence, in the press, in society

and in Parliament, to stimulate the demand for further armaments. The facts are now so well known, thanks to debates in the Reichstag and to three illuminating pamphlets [1] by capable writers which have lately been published in this country, that it may suffice to give here a brief summary of what is generally known. The trade in armaments has evolved along the familiar lines of capitalistic concentration. Competition has been nearly eliminated among the British firms, and what is more curious still, the relations of the chief armament firms the world over betray a certain international solidarity and some rudimentary organisation. There is not yet an armament trust, as there is a steel trust and an oil trust, but there is a measure of co-operation which serves the same end. The British firms are so closely interlocked by the common ownership of minor firms, by common directorships, and by their share in enterprises like the international Nobel Dynamite Trust and the now defunct Harvey United Steel Company, that they can be regarded only as four allied combinations—Armstrongs, Vickers, John Brown and Cammell Laird. It is a united industry which confronts the Treasury, influences the Admiralty, maintains prices, and works upon public

[1] *The War Trust Exposed*, by J. T. Walton Newbold, M.A. (The National Labour Press, Manchester. 1d.), deals chiefly with the inter-relation of the British armaments firms. *Armaments and Patriotism*, by P. W. W. (The Daily News. 1d.) deals fully with Mr. Mulliner's share in creating the naval scare of 1909. *The War Traders*, by G. H. Perris (National Peace Council, 167, St. Stephen's House, Westminster. 2d.), contains most of the facts given in the other two pamphlets with some further matter. All of them are based on material which is official and undeniable.

opinion. It is a prosperous concern. In the present century Armstrongs has never paid less than 10 per cent., and its dividend often rises to 15 per cent. The great French works at Creusot (Messrs. Schneider) have paid as much as 20 per cent. The building and equipment of a Dreadnought must mean at least a quarter of a million in profits to the firm which secures the contract. Such a stake is worth an effort, and these firms are well equipped for the exercise of political and social pressure. The share-list of Armstrongs alone includes the names of sixty noblemen or their wives, sons or daughters, fifteen baronets, twenty knights, eight Members of Parliaments, five bishops, twenty military and naval officers, and eight journalists. Among those interested in these firms there were last summer two Liberal Cabinet Ministers, a law officer of the Crown and two members of the Opposition Front Bench. There is an amusing correspondence between these share-lists and the membership rolls of the Navy League and the National Service League.

All this is natural in a capitalistic society, but one is not quite prepared for the simplicity which both the middle class parties have shown in their dealings with the firms. The naval scare of 1909 was a remarkable achievement in the manipulation of public opinion, and the whole credit of it seems to belong to Mr. Mulliner, the managing director of the Coventry Ordnance Company, of which John Brown & Co. and Cammell Laird & Co. hold between them seven-eighths of the shares. He was in close touch with the leading men of both parties. He was actually received in solemn audience by the Cabinet.

Either he or some fellow-contractor had been in consultation with Mr. Balfour and supplied him (as Mr. Balfour candidly stated) with "facts." His memoranda circulated freely in the House of Commons, but though the unique source of all the alarmist statements current about German preparations was well known, it occurred to no one to doubt the reliability of this interested witness. Mr. Mulliner claimed to have confidential knowledge of an immense secret acceleration in the German naval programme and of a vast extension in the resources and activities of Krupp's. The true facts were stated at the time by Admiral von Tirpitz in the Reichstag and also by the head of the Krupp firm. Parliament preferred to believe Mr. Mulliner. The result was that Mr. McKenna calculated that Germany would have seventeen Dreadnoughts at "the danger-point," March, 1912, and revised his own programme accordingly. Mr. Balfour even predicted for Germany twenty-one or twenty-five capital ships. The event showed that Admiral von Tirpitz had told the truth: when the time came Germany had nine. The scare cost us the price of the four "contingent" Dreadnoughts, a measurable quantity, while it added to Europe's stores of bitterness and mistrust what no figures can reckon. All this happened, largely because of that grotesque delicacy which in England forbids "respectable" newspapers and conventional politicians to say in plain words that a contractor's opinion is an interested opinion, and that a Minister who adopts it without corroboration is either a simpleton or a weakling who has allowed himself to be intimidated

by newspapers which he could have routed by one straight sentence revealing the origin of the scare.

The international relations of the firms which trade in armaments offer a tempting field for satire. The inevitable comment lies on the surface of the facts, and they shall be baldly set down here. Capital has no patriotism. A leading German firm turns out to be conducted by French directors. German firms are rebuilding the rival Russian navy. British firms have branches in Italy which are building those Italian Dreadnoughts that are represented as rivals to our own. The Nobel Trust and till lately the Harvey Company were formed of all the leading armaments firms, British, French, German or American. At one time the French firm of Schneider and the German firm of Krupp united in a syndicate to develop the iron ore fields of Ouenza in Algeria. French public opinion in the end upset the partnership, but it was, while it lasted, an evidence of the ability of firms engaged in making cannon destined to destroy each other, to co-operate for their common good. If they can co-operate so far as this, there is plainly nothing to prevent them going further in joint efforts to manipulate public opinion across frontiers which do not really divide them. A German firm has been known to circulate in the French press the false news that the French Government was about to increase its purchases of machine-guns. Its object was, of course, to force the German Government to do in fact what the French Government had done only in fiction. It is unnecessary to labour this unsavoury topic further. It is enough to realise that in every country and

across every border there is a powerful group of capitalists, closely allied to the fighting services, firmly entrenched in society, and well served by politicians and journalists, whose business it is to exploit the rivalries and jealousies of nations and to practice the alchemy which transmutes hatred into gold. Against them are ranged the masses with their more numerous but ill-organised votes. The relationship is well illustrated by an arrangement which came into force in Germany during the general election of 1906. The metallurgical cartels (employers' syndicates) determined to support Prince von Bülow's Liberal-Conservative Coalition which was fighting Social Democracy on the Imperialist issue. Their employees for the most part voted Socialist. The firms answered their votes by contributing to the coalition's party funds one shilling for every workman they employed. It would be interesting to learn how much our own armament contractors contribute to the secret funds of British parties.

All over the world these forces, concentrated, resolute and intelligent, are ceaselessly at work to defeat the more diffused and less easily directed forces which make for disarmament and peace. The number of persons who have anything to gain by armaments and war is relatively small, when measured against the whole population of the civilised world. But their individual stake is larger, and they work in alliance with Society, which regards Empire as a field for the careers of its sons, and with finance which treats it as a field for investment. Instinctively and by habit they support each others'

claims, and the governing class opposes to the half-conscious and badly-led democracy the solid phalanx of interest and ambition. The democracy, on its side, will still accept as its leaders men who cannot emancipate themselves from the social pressure of the class to which they belong. The idealists in modern politics are a volunteer band, without a trained staff, unpaid, and above all undisciplined, pitted against a regular army of mercenary troops which follows skilled generals and acknowledges the duty of solidarity and obedience.

CHAPTER III

THE EGYPTIAN MODEL

THOSE who would test the theory that the movement of capital towards semi-civilised regions is the disturbance which sets the European Balance of Power oscillating, need be at no loss for a model to observe. There is an episode in the modern history of our foreign policy which in itself is the perfect epitome of the tendencies which we have sketched. Our occupation of Egypt had its origin in finance. It marked the ruin of the old un-Imperial Liberalism. In the interests of invested capital it is avowedly continued. To most of the groupings of the Great Powers over a period of thirty years, and to most of the struggles to preserve the balance, it is an indispensable clue. In its bearings on the fortunes of the Egyptians themselves, it exhibits in perfection the material benefits of Imperialism no less than the moral losses which mark its triumph.

"The origin of the Egyptian question in its present phase was financial." That is the opening sentence of Lord Cromer's *Modern Egypt*, and it spares us any historical controversy. Our statesmen drifted, our agents schemed their way into the occupation of Egypt, at the bidding of high finance, and for no other reason. Capital had been

exported from France and England to the Nile Valley at an extravagant rate and with consummate imprudence. There came a moment when both countries perceived that the Khedive was injuring the security on which their capital reposed. They stepped in, precisely as a bank may foreclose on a mortgaged estate, first through the Dual Control, and then through the British occupation.

It was not Oriental stagnation which ruined Egypt, but the ferment of Western ideas. The Khedivial family, founded by that adventurer of genius, Mehemet Ali, was determined to defy geography, to reform the map and to make of Egypt a *quasi*-European state. French culture was acclimatised, European enterprise welcomed, the growing of cotton encouraged and the Suez canal dug. Egypt under this dynasty was tranquil and progressive, and it was no chronic or deep-seated disorder which led to the foreign occupation. The Khedive Ismail, who came to the throne in 1863, was a spendthrift of genius. But if he squandered large sums on palaces, operas and mistresses, he also did much on the lines laid down by his predecessors to develop Egyptian industries and culture. It is true that in the end he despoiled the peasantry, but the beginning of this spoliation was that the money-lenders and contractors robbed the Khedive. European contractors engaged in his great works of building and irrigation were known to have overcharged him anything from 80 to 400 per cent. For floating loans he had latterly to pay as much as 25 per cent. in interest. Of the 68 millions which was raised as a national debt, Egypt received only

44 millions, so that the nominal interest of 7 per cent. amounted in reality to 12 or 13 per cent. Of a loan of 32 millions which he raised in 1873 only 20 millions ever reached the exchequer. [1]Such were the transactions which British and French diplomacy covered with their support. Behind the bond-holders stood the great cosmopolitan firm of Rothschild, and in England their interests were in the hands of Mr., afterwards Lord, Goschen, who had been a Liberal, and was to become a Unionist Minister. Diplomacy is always ready to enforce a debt against a weak State. To it contracts are sacred, but it does not dream of interfering to insist that the contracts shall be equitable. Egypt, however, could have borne even this great load of debt had the interest been fixed at a reasonable figure. There were three obstacles to the re-establishment of Egyptian finances—the character of the Khedive Ismail, the absence of any native machinery which could control his despotism, and the rate of interest changed by the European bond-holders. The two former obstacles were removed long before the occupation took place. Ismail granted a constitution, and the Egyptian Parliament, with the national army behind it, became a real power which could be trusted to resist profligate expenditure. Midway in the crisis the spendthrift Ismail was deposed. Only the third obstacle, the usurious rate of interest,

[1] For these and many other facts in this chapter I am indebted to an acute and brilliant little study of the history of the Occupation based mainly on our blue books, *Egypt's Ruin*, by Theodore Rothstein.

remained. By delaying their consent to any satisfactory composition, the Powers kept their hold upon Egypt. It was not until Lord Cromer was firmly in the saddle that the debt was unified and the interest lowered to an equitable rate. Had Egypt been allowed to do what was permitted to Lord Cromer, she might have restored her own finances and avoided the need of foreign tutelage.

The history of the Dual Control shows with painful clearness that the agents appointed by Great Britain and France to manage Egyptian finances in the interests of the bond-holders acted with no more regard for the interests of the Egyptian people than the bailiffs of a private usurer might have shown. Ismail had been despotic, but it was under the Dual Control that the lash was most ruthlessly plied. In 1877, a year of famine, to pay the coupon due to the clients of the Rothschilds, taxes were actually collected in advance from the ruined peasants.[1] Instead of reducing the usurious rate of interest and debt, the Control cut down Egyptian expenditure. The schools were starved, and from motives of economy the control proposed at one blow to dismiss with their eighteen months' arrears of pay unpaid or only partially met, no less than two thousand officers of the Egyptian army. "Many officers and their families," Lord Cromer admits, "were reduced, to a state of complete destitution."[2] But foreign usury under a European Control takes precedence of local debts. From this act of folly and injustice dates the rise

[1] See Lord Cromer's *Modern Egypt*, p. 35.
[2] *Modern Egypt*, pp. 74 and 78.

of the Nationalist party under its gifted and popular leader, a Colonel of peasant origin, Achmet Arabi Pasha. Egypt had always been ruled by foreign conquerors from the days of the Macedonians down to those of the Turks. Arabi's movement meant for the first time the emergence of a conscious Egyptian nationality, which was opposed almost as much to the Khedives and the ruling Turkish landed and military caste as to the foreign financiers and the Dual Control. The movement, as Lord Cromer says (p. 226, *Modern Egypt*), was at once "liberal" and "nationalist," and was directed, as our Financial Commissioner, Sir Auckland Colvin, put it, mainly against "Turkish arbitrary rule." Mr. Gladstone unluckily chose to think that he had to deal with nothing more than a military mutiny, and his inveterate prejudice against Mohammedans forbade him to see that in Egypt, as in the Balkans, a down-trodden race was "rightly struggling to be free." The parallel is remarkably close between these Egyptian nationalists and the Young Turks of our own day. Both parties drew their force from the army, and relied upon it to put pressure on the local despotism. Both were Nationalist, in the sense that they aimed at throwing off the humiliating interference of Europe in their domestic affairs. Both were in theory constitutionalists, and aimed at creating a stable parliamentary government on a European model. The Egyptian officers acted in concert with a civilian party, and with a group of Liberal theologians which had just inaugurated a "modernist" movement in Islam. To all this the two Liberal Governments

in Great Britain and France were blind. They had brought about the deposition of the Khedive Ismail. They supported his successor, Tewfik, against the Egyptian Parliament, because they had in him a pliable tool who was forced to lean on foreign aid. With the new Khedive and the Conservative pashas of the Turkish ruling caste the Control contracted a close alliance against the popular party. The unexpected vitality of the Parliament, and the fact that it could rely on the army in opposing the Court, placed unforeseen obstacles in the path of the Foreign Control.

There came a point when the Dual Control realised that nothing more was to be gained by supporting a weak sovereign against his people. It was necessary to make a crisis which would seem to justify an appeal to force. Its views, as Mr. Rothstein argues, were plainly confessed in the following despatch from Sir Edward Malet. (Egyptian Blue Book, No. 7 (1882), p. 107) :—

> "It should be remembered that the present (Nationalist) Ministry is distinctly hitherto bent upon diminishing the Anglo-French *protection* (*sic*), and that as a matter of fact our influence is daily decreasing. It will not be possible for us to regain our ascendancy until the military supremacy which at present weighs upon the country is broken. . . . I believe that some complication of an acute nature must supervene before any satisfactory solution of the Egyptian question can be attained, and that it would be wiser to hasten it, than to endeavour to retard it."

In plain words, Sir Edward Malet was determined to make a catastrophe. Here was a nation, emerging at last at the menace of foreign intervention, from the lethargy and oppression of centuries, determining to govern itself, establishing a Parliament on European models, throwing off the personal rule of an autocrat, and appealing to the natural sympathies of the Liberal West. Had no question of money and "ascendancy" been at stake, Mr. Gladstone and Lord Granville would have followed its progress with the indulgence and encouragement which Mr. Asquith and Sir Edward Grey extended in our own day on the Young Turks. But the bondholders were strong enough to make public opinion in England and France. To them Egypt was only a debtor, and they preferred to perpetuate the rule of a Khedive whom they knew they could control, rather than encourage the growth of a nation which aspired to govern itself. In the balance hung in one scale the promise of a new national life, in the other a usurious debt which bore its interest at 12 per cent. The 12 per cent. carried the day. Lord Granville saw only one supreme necessity, the restoration of the Khedive's autocratic authority, and the crushing of Parliament, the army and Arabi. It was frivolous intervention which could destroy a living thing, a nation fired with ideals and hopes, for the sake of a money debt. It was, moreover, a superfluous profanity, for the Nationalists neither repudiated the debt, nor disputed the authority of the Control over the ample revenues assigned to its service.

For some time the same Mr. Gladstone who would

have driven the Turks "bag and baggage" out of Europe toyed with the idea of inducing Abdul Hamid to send a Turkish army to Egypt. But the extremer Imperialists had other views. We began in the conventional way by sending ships to Egypt. There was some nervousness about the safety of European lives during this critical period. But the ships were not sent to protect them. On the contrary, our agents on the spot reported to Lord Granville that the sending of ships might alarm and irritate the Egyptians, and so actually endanger Europeans. The ships were sent as a political menace, and for no other reason. "I have the honour to inform your Lordship," wrote Sir Edward Malet to Lord Granville, "that my French colleague and I think that the political advantage of the arrival of the combined squadron at Alexandria is so great as to override in consideration the danger which it might possibly cause to Europeans in Cairo." In plain words, to assert our "ascendancy," we knowingly risked the safety of the European colony in Egypt. The worse the situation became, the stronger would be the case for intervention. The ships arrived, and soon afterwards a massacre took place in Alexandria, in which some fifty Europeans, chiefly Greeks and Maltese, lost their lives. Its origin was obscure. It may have been a spontaneous outburst by the rabble; more probably, as Mr. Wilfrid Blunt argues in his invaluable *Secret History*, it was the work of the Khedive's agents, who wished to discredit the Nationalist Government. It is certain only that Arabi and his friends had no share in it, and regarded it with horror and dismay. But it

was not this massacre which provoked intervention, and for three months after it the ships lay inactive at Alexandria. European opinion in Egypt revolted at the absurdity of regarding Arabi as a rebel, and knowing him to be honest, popular and tolerant, turned to him as the one man who could control a dangerous situation. So little was he regarded by disinterested Europeans as "fanatical" or lawless that the German, Austrian and French Consuls-General insisted that Sir Edward Malet's policy must be reversed, that the Khedive should consent to be reconciled with the Nationalist Ministry and that Arabi should be entrusted with the preservation of order. We were meanwhile negotiating at the Constantinople Conference for a Turkish occupation. It is doubtful whether we now desired that solution. We were quietly preparing an expeditionary army of our own, and at Alexandria our ships were getting ready for naval action. It was no disorder, but the exigencies of a financial policy which moved us, when our forces were ready, to act. So little was violence necessary in the judgment of our French partner, that when Admiral Seymour bombarded Alexandria, her ships weighed anchor as ours opened fire. We meant to be masters in Egypt, and it was because he had opposed the unmeasured pretensions of the financial control, that Arabi was declared a rebel, and crushed at Tel-el-Kebir.

The first consequence of Mr. Gladstone's policy in Egypt was to destroy or at least to maim the influence of Liberal ideas in foreign policy. Mr. Gladstone had come into power after the Midlothian campaign with a programme of resolute opposition

to Imperialism. The chief act of his administration abroad was the occupation of Egypt. Henceforward Liberalism had a lie in its soul. For years to come it professed the intention of evacuating Egypt, when the task of restoring its order and solvency should be completed. It has never attempted to execute that pledge. From Egypt it was forced downwards to the Soudan, and the possession of the Soudan encouraged the grandiose scheme of the Cape to Cairo railway. The occupation had involved a flagrant breach of faith towards the Concert of Europe, which had (at our suggestion) decided that the occupation was to be the work not of a British but of a Turkish army. To retain our position, and to combat the enmities which it brought upon us, we had to abandon the traditional Liberal policy of non-intervention in the affairs of Europe, and to take our part in the incessant struggle to maintain such a balance of power as would allow us to continue our self-imposed mission. Legal title we had none. Our occupation ran two risks—from other Powers, and from the Radical wing of the Liberal party, which wished for many years to end it. It was more than anything else the difficulty of maintaining our hold on Egypt which brought the two historic parties together in their foreign policy, and established the now accepted watchword of continuity. There was now, when Liberal cabinets were being formed, a test question by which "impatient idealists" were tried. Finance continued to play its part. It is a matter of history that Mr. Cecil Rhodes offered to subscribe to Liberal party funds on the express condition that there should be no

nonsense about evacuating Egypt. Under such influences Liberalism became an Imperialist party, with Lord Rosebery, and, later, Sir Edward Grey as the only possible directors of its foreign policy. Lord Rosebery belonged by marriage to the Rothschild family, and it was the Rothschild influence which brought about the occupation of Egypt. The party as a whole accepted the new situation with ease and grace. Save in the consistent columns of the *Manchester Guardian*, it was rarely reminded that we had gone to Egypt to assure the interest on a usurious debt. The legend grew up that on the Nile we were bearing the "white man's burden" and fulfilling an unselfish mission, with the sole aim of delivering Egypt from despotism. That we had destroyed a Parliament and crushed a nation struggling for that "self-government," which, in Sir Henry Campbell-Bannerman's words, is better than "good government," were facts which a complacent Empire made haste to forget.

In the wider field of European politics, it would be hardly an exaggeration to say that the maintenance of our seizure of Egypt has been for a generation the master-key of our foreign policy. Its first consequence was a breach with France which lasted a full twenty years, from the bombardment of Alexandria in 1882 down to the conclusion of the *Entente Cordiale* in 1903. France, recovering rapidly from the consequences of the war with Prussia, was still isolated in Europe. Self-interest and national sympathy alike made for intimate relations between the two Liberal Powers. The first shock to their mutual confidence came in 1875 with Lord Beacons-

field's secret and in some respects perfidious purchase of the Suez Canal shares.[1] France felt herself cheated, out-manœuvred and humiliated. None the less she agreed to act with us throughout the period of the Dual Control. Our diplomacy was in the end the more aggressive and adventurous, but up to the bombardment of Alexandria, France acted with us, partly because she wished for our friendship, and still more because she could not afford to allow us to act in Egypt alone. The central fact of the situation was that French influence had from the time of Mehemet Ali downwards been dominant in Egypt. It was French culture and French institutions which the Khedives had tried to adopt. French teachers and French engineers were rapidly Europeanising the country. France was proud of her work, and she enjoyed what we have never won, the confidence and sympathy of the Egyptian people. The main reason why she refused at the end to share in the risks of the occupation, was that she dreaded the European entanglements to which it might lead. France is not an island, and as M. de Freycinet put it, she could not afford to challenge the hostility of a Continent. For twenty years she cherished the memory of our duplicity in promoting Turkish intervention while in fact we were preparing to intervene ourselves, our appeal to force in bombarding Alexandria, our use of the "cavalry of St. George" (the British sovereign) in preparing the conquest of Egypt by the purchase of

[1] The full story is told in an admirable study by M. Charles Lesage, *L'Achat des Actions de Suez*. Paris. Plon. 1906.

the Canal shares, and, above all, our failure to fulfil our continual promises that the occupation should be temporary. Every traditional prejudice, every old doubt of our national honour, was revived by our conduct in this adventure and its sequel. Moreover, as Egypt began to thrive under our rule, there was always present the bitter reflection that we were reaping where France had sowed. At the International Conference which was sitting in Constantinople when we suddenly put an end to the negotiations by bombarding Alexandria, there was already discernible that grouping of the Powers which was to govern Europe for a generation. Russia, like France, was furious, and proposed to break up the Conference as a protest. It was in 1882 that the first suggestions of a Franco-Russian Alliance were made by Gambetta and Skobeleff, though some years were to pass before it was realised.[1] That we were allowed a free hand in Egypt was mainly Bismarck's work. His master-idea was to assure his own influence by dividing the European Powers. He had made bitter enmity between France and Italy by encouraging France to take Tunis. He now perceived the possibility of embroiling France and Britain, by encouraging us to take Egypt. The plot succeeded, and for twenty years Germany exercised in consequence a species of supremacy in Europe. The two Liberal Powers were estranged, and France in due time became the ally of our traditional rival Russia. The French were slow to abandon the hope of one day forcing

[1] See Seignobos, *Political History of Contemporary Europe*, p. 827.

us to relax our hold on Egypt, and their diplomacy, though it could not defeat us, was able to hamper and annoy. The "policy of pin-pricks," as Lord Salisbury called it, culminated in 1898 with Major Marchand's daring march to Fashoda, an attempt to challenge our whole position by seizing the upper waters of the Nile on which Egypt depends. War was with difficulty averted, but the peaceful settlement of this crisis left nothing but bitter memories behind it. Twice at least during this period the country was convulsed by naval "scares," in which France or France and Russia together were supposed to be the enemy. The "Two-Power Standard," which until lately governed our shipbuilding, was a legacy from these rivalries. We have never had to fight for Egypt. But year after year we have paid in swollen armaments and increasing Budgets for the violence and ill-faith of our Egyptian policy in 1882. To measure its consequences we have only to ask ourselves what would in all probability have been the natural course of events had we maintained a modest co-operation with France, allowed the Egyptians to work out their own salvation, and contented ourselves with helping them by expert advice to restore their shaken credit. There would have been no breach with France, and the *Entente Cordiale* might have been established some twenty years earlier. European armaments would have been less crushing, and Bismarckian diplomacy less triumphant. Above all, the alliance would never have been concluded which filled the treasury of the Russian autocrat with French gold, and so perpetuated the cruellest of European despotisms.

No less disastrous were the consequences of our action in the Near East. France had a grievance, but Turkey, which was the Suzerain Power, had been still more seriously wronged by our occupation. From 1882 onwards Abdul Hamid became resolutely Anglophobe. Germany succeeded to the position of influence which we had hitherto held at Constantinople, and she used her power to encourage and exploit the tyranny of the Palace gang. The massacres of the Armenians, whom the Sultan always regarded as our particular *protégés*, were in some degree an expression of his fear of us. In 1882 he was not yet the insane tyrant that he afterwards became. The first generation of Young Turks was not yet exterminated, and the Press had still a certain liberty. Lord Beaconsfield's policy of leading Turkey gently towards reform by friendly aid and kindly pressure might conceivably have succeeded, had it been at all possible for Turkey to regard the conquerors of Egypt as friends. The result of our seizure of Egypt was that all our protests against the ill-treatment of Armenians, Cretans and Macedonians were regarded by official Turkey as the interested meddling of an enemy with Imperial ambitions to serve.

A new phase of the Egyptian question opened in 1903. France realised at last that she had nothing to hope from a policy of opposition. The Anglo-French Agreement consolidated our position on the Nile, while we in return gave her a free hand in Morocco. The result has only been to revive our troubles in a new form. We have now to reckon with the hostility of the Triple instead of the Dual

Alliance. Egypt, it is true, is not the ostensible cause of quarrel. But it was none the less the necessity which we experienced of strengthening our position in Egypt which caused us to approach France, and so to challenge the enmity of the German Powers. Egypt is still the clue to our diplomacy, and like some *perpetuum mobile* the series of consequences started by the bombardment of Alexandria continues to pursue us. We are still arming, still passing through naval scares, still watching the oscillations of the European balance of power. And if one asks why, the answer is still the same—because somehow or other we had to assure the fruits of an act of force, and to fortify our illegal tenure of the Nile Valley.

There remains the question whether, incidentally and as a by-product of our solicitude for the financial interests of our own investors, our stay in Egypt has none the less benefited the Egyptians. A critic who ventures to give a balanced answer to this question is at once overwhelmed by the weight of authority against him. Three books have been written to prove that the occupation has been an unmixed blessing to Egypt. Their authors have unquestionably an unrivalled knowledge of the facts. But the acceptance of books by Lord Cromer, Lord Milner and Sir Auckland Colvin as final authorities on the history of a period in which they were the principal actors, is an evidence of the superb assurance of our national pride. We should not accept even three works by high Russian officials as a convincing proof of the happy consequences of Russian rule in Poland. On such a point we rather incline

to follow Polish opinion. But much of the merit which these writers claim for their own achievements may be fairly conceded. In nearly all material respects Egypt has marvellously progressed under British rule. There is no more opulent soil, no more generous climate, and no more industrious peasantry in the world. Egypt made astonishing material progress under the Khedives; the advance in wealth, population, agriculture and trade, which was for a few brief years interrupted by Ismail Pasha's mad extravagance, was resumed and accelerated under Lord Cromer. French engineers did well under the Khedives; English engineers, with a freer hand, have done better in utilising the Nile for irrigation. Corruption, though not extinct, has been immensely diminished. The liberty of meeting and until recently the liberty of the press have been respected. The extortionate collection of taxes and the sale of justice have gradually under English rule ceased to oppress the peasantry. On the material plane the directors of the Occupation are entitled to the favourable verdict which they have passed upon each other's work.

The success of the Occupation from the material and financial standpoint was what one might expect from a competent Imperialism which regards Egypt mainly as a field for investment. The Occupation has done what was necessary to make it a secure and valuable field, and on the whole it has done it well. But it must not be assumed that any large proportion of the increase in the wealth of Egypt has gone to the peasants. It has gone to great speculators in the newly-irrigated lands, who

sometimes refuse even to lease their fields and let them out for tillage only for a crop at a time, to mortgage banks and investment companies, and also in great measure to the larger native landowners. Wages no doubt have risen, but so has the cost of food. The peasants are probably much happier and somewhat wealthier than they were in the later years of the Khedive Ismail. So indeed their old men have told me, with apparent sincerity. Yet the pictures which may be read of the poverty of the *fellaheen* in the graphic writings of Edmond About and Lady Duff Gordon, are still true in the main to-day. I shall never forget my first impression of their villages. As the train travelled slowly beside the endless canals from Alexandria to Cairo, I noticed near the line some quaint and untidy mud huts. I took them at first for temporary shelters, built, as I guessed, by gipsies, or by workmen engaged in repairing the line or the canals. But the whole landscape, which might, save for its palm trees and its buffaloes, have been lifted straight out of Holland, so green it was, so minutely and industriously cultivated, so intersected with canals, was dotted with these groups of tiny dilapidated mud huts and presently we reached a town of them. They are the permanent habitations of the peasants. The legend of the prosperity of the *fellaheen* which a study of Lord Cromer's reports had formed in my mind, had vanished ere I reached Cairo. Here indeed was wealth, order and industry, yet the villages exhibited a poverty such as I have never seen even in the mountains of anarchical Macedonia or among the bogs of Donegal. A nearer inspection

of the villages only confirmed this first impression. I have heard it said that in this gentle climate no one wants a solid house. Yet the native magnates build solid and spacious and, according to Oriental notions, luxurious houses. These exceptions only emphasise the abysmal poverty of the masses. The villages are crowded slums of mud hovels, without a tree, a flower or a garden. The huts, often without a window or a levelled floor, are minute dungeons of baked mud, usually of two small rooms neither whitewashed nor carpeted. Those which I entered were bare of any visible property, save a few cooking utensils, a mat to serve as a bed, and a jar which held the staple food of maize. These things, and the cotton gowns on their backs, were all the peasants had to show as the result of their inordinate toil from dawn to sunset on every day of the year, Fridays not excepted, in a climate which has no winter, and on fields which yield three crops in twelve months. The explanation is relatively simple. There is no true system of tenancy. A peasant may hire a field for one crop or one year, or he may bargain for a share, sometimes only a sixth, in the produce of the field which he tills. But he is always at the mercy of an elaborate truck system, always in the debt of his landlord, and always in consequence tied to the land and unable to sell his labour in the open market. To improve this method of tenure, or to reform a truck system which keeps the landless peasantry in a condition of serfdom, the Occupation had done nothing nor had it, so far as I could learn, even attempted to study the question.

Worse still was the condition of the peasants who work in factories. There was then (1908) no Factory Act in Egypt. There are all over the country, ginning mills, which employ casual labour to prepare raw cotton for export, during four or five months of the year. The wages were low, from 7½d. to 10d. a day for an adult, and 6d. for a child. Children and adults alike worked sometimes for twelve, usually for fifteen, and on occasion even for sixteen or eighteen hours a day. In the height of the season even the children were put on night shifts of twelve hours. I have seen a foreman use a cane to chastise a child whose zeal flagged in this inordinate task. Fraud in some of the worst mills is so common, that the adult workers sometimes insist on receiving their day's wage in advance as they enter, pledging their outer garments in return. The atmosphere in which the children worked was so charged with cotton dust, that it resembled a November fog in London rather than the pure climate of Egypt. Lord Cromer used to say that legislation was legally impossible, because the capitulations stood in the way. His own *laissez faire* individualism was the more formidable obstacle. It is satisfactory to be able to add that, after a generation of neglect, a fairly satisfactory Factory Act was passed through the efforts of Sir Eldon Gorst and Mr. Harvey. This is not the only point on which Lord Cromer's successors have improved upon his work. I shall, however, continue to describe what I observed in 1908, when Egypt could still be seen as Lord Cromer left it. One ceased after a visit to an Egyptian ginnery to wonder why capital is exported to

Egypt. Without a Parliament, without trade unions, without a Factory Act, Lord Cromer's province was a paradise for the investor.

It is on its moral and intellectual side that Lord Cromer's work is open to the severest criticism. We remained in Egypt professedly with a single object—to train the Egyptians to govern themselves. In every Annual Report that object was avowed, in every year's work it was ignored. The system of government which Lord Cromer erected, incomparably superior though it was to that of the Khedive's in honesty and efficiency, was like theirs a system of despotic and personal rule. We went to crush the "military ascendancy" of a national army which had extorted a Parliament; we suppressed the Parliament, and replaced it by a foreign bureaucracy, supported by a foreign army of occupation. Independence and initiative, even in English officials, were discouraged, and their words and acts were checked by an elaborate system of espionage. Natives indeed continued to be titular Ministers and titular governors of provinces, but at the side of every Minister there was an English "adviser," and above every governor an English "inspector." Ministers and governors alike were puppets, who were made to understand that they might draw their salaries so long as they treated every piece of advice as a command. Meanwhile, the importation of English officials became every year more considerable, and latterly, so little were we preparing to leave Egypt to govern herself, that Lord Cromer began to train young men at Cambridge for the Egyptian Civil Service on Indian lines.

Had we been sincere in our self-imposed task, it would have been on education rather than irrigation (if we had had to choose) that we should have concentrated our efforts. In twenty-five years we could have made a relatively well-educated nation. A young country, like Bulgaria, suddenly emancipated from Turkish rule, begins at any sacrifice by creating a system of compulsory education, and by establishing a University at which governing men may be formed. But neither in quality nor in quantity nor in kind, will our arrangements bear scrutiny. The expenditure of Prussia on Education represents one-eighth of the total Budget. Servia can spare one-fifteenth. At the close of Lord Cromer's reign education accounted for £1 in every £81 of the total national expenditure. With a population of over eleven millions she had only four governmental secondary schools for boys, and one higher primary school for girls. There was no University. Of the Mohammedan population only 4 per cent was literate. It was only in the latter years of Lord Cromer's reign that any attempt was made to create modern elementary schools for the illiterate peasantry, and even now the building and equipment of these schools is left to private benevolence. There was under the Khedive Ismail a system for subsidising Arabic literature and encouraging the translation of useful books from European languages. There was also an extensive system of bursaries and free scholarships, which enabled a poor lad to enter a primary school, and at the close of his secondary training to study at a French University. That system we entirely suppressed, partly

from the individualist tendency which coloured all Lord Cromer's work, partly from mere economy. Under such conditions it became difficult to obtain competent native teachers. Poor men could not study, and the salaries which we offered would attract only poor men. We therefore imported English teachers at considerable expense in annual swarms, and the result was the complete denationalisation of the teaching. In the secondary schools all instruction was given through the medium of English, and even in the primary schools English alone was used for certain subjects. There were even for young boys no maps with Arabic lettering. Some of these schools would be in every material respect a credit to any European country, and the English teachers are usually competent and conscientious. But to their boys they are mere aliens, and nothing can compensate for the absence of instruction in the mother tongue. Worst of all, the education which is given under such grave difficulties by foreign teachers in a foreign tongue, is of a severely utilitarian character. The object of these schools is professedly to train officials, and under the Occupation the Egyptian official was expected to be a careful copyist, a docile subordinate, a reliable clerk. He learns in these schools to speak and write English and Arabic fairly well ; he acquires a very little natural science and a smattering of universal history—the latter, evidently, by rote. But there are no liberal studies which might form his mind or train him to think. English and Arabic literature are almost equally neglected ; the predominant aim is to make a useful quill-driver who can

correspond in these languages correctly. Latin and Greek are wisely ignored, but no serious attempt has been made to put any humanising study, literary or scientific, in their place. The results of all these causes—the neglect of the mother tongue, the defects of the education itself, the absence of a University and the appointment of foreigners to every post the holding of which might encourage a capable man to study or write—may be traced in the utter death of all intellectual life in Egypt, and in the crudity of mind which prevails among the small "educated" class. The level of culture is incomparably lower and the educated class incomparably smaller than in any other country of the Near East with which I am acquainted. For that the responsibility lies with us. The Nationalists have agitated fiercely for better education and more of it.

On Lord Cromer's departure an emphatic change declared itself under the influence of Sir Eldon Gorst. Our control became less direct, our advice less imperious, our methods in education less antinational. We still however refused the demands of the Nationalists for a Parliament. They have become, more especially since the cruelty and injustice of the Denshawai affair, a numerous and uncompromising party—crude indeed, as all the beginnings of intellectual life in Egypt are crude, but resolute and determined to stand erect. The time for leading or influencing the Egyptians has gone by. The Egyptians are by nature singularly pliable and assimilative. Their admiration, amounting almost to hero-worship, for the few Englishmen who have cared to maintain with

them kindly and human relationships, is an evidence that with tact and sympathy they might easily have been led. But with rare exceptions, there has been no teaching in any higher sense of the word. The Egyptians have learned our language, our technical skill, our orderly official routine. Interchange of ideas there has been none. The normal English attitude has been one of contempt and aloofness. Lord Cromer would not take the trouble to learn their language, and his book breathes on every page his dislike of their character, his hostility to their religion, his contempt for their history, their language and their institutions. The normal Egyptian attitude is now one of distrust. The English colony lives in absolute isolation. One never meets an Englishman in a native house. Our work is professedly one of inspection and advice. But an inspector who will not mix with the people cannot know what is going on. I heard in the country constant and detailed complaints of corruption among the irrigation officials. I even met two Egyptian landowners who admitted that they themselves habitually give bribes. These complaints were always followed by another—that the English officials are unapproachable, and consequently ignorant of the real condition of affairs. It is this ineradicable national failing, the result partly of temperament and partly of tradition, which seems to set a limit to our good work in Egypt. If we had possessed the gift of moral leadership, the magnetism that attracts and inspires, we should by now have trained up a generation competent to govern Egypt unaided. But the possibility of

assuming that leadership has now irreparably gone. The Egyptians will learn nothing more from us. I ask myself whether the judges of Denshawai have anything to teach.

Why is it that we remain in Egypt? It can hardly be from any genuine love and goodwill to the Egyptians. If they cherish such a disinterested passion, our Imperialists are remarkably successful in dissembling it. One may admit at once that the Egyptians, if left to themselves, would make mistakes. But of these mistakes they chiefly would bear the brunt, and only by mistakes does a nation learn. It is probable that the mistakes of an Egyptian Parliament would be less irritating to the Egyptians themselves than were those of Lord Cromer. Capacity for government is a relative term. One may easily exaggerate the capacity even of Western races for self-government. Our armaments, our slums, our crises of unemployment would authorise some invading sage from a wiser planet to pronounce us as utterly incapable of government as we are pleased to think Oriental races. It may be said that there are too many European inhabitants in Egypt to be left to the uncontrolled caprices of a native administration. That argument ignores the fact that Europeans in Egypt are subject neither to native laws, nor to native courts nor to native taxes. It is also said that we remain in Egypt to protect the Suez Canal. Well, if that were so, the Egyptians would not refuse to surrender Port Said, if at that price they could obtain our withdrawal from the rest of the country. But our naval power and the possession

of Cyprus and Aden, ought to suffice to enable us to control the Canal, which after all is not a British, but an international institution. It is well to remember a terse parable of Lord Palmerston's in this connection. "We do not want Egypt," he wrote in 1857, "or wish for it ourselves, any more than a rational man with an estate in the north of England and a residence in the south would have wished to possess the inns on the North road. All he could want would have been that the inns should be well-kept, always accessible, and furnishing him, when he came, with mutton-chops and post-horses."

The real reason why we refuse not merely to evacuate Egypt, but even to concede to the Egyptians Parliamentary institutions, is not mysterious. We conquered the country to assure the ninety millions of money, English and French, which had been sunk in its public debt. Since the Occupation the amount of capital added in one form or another to this sum has become very considerable, and is rapidly increasing. The new capital invested in limited companies created in Egypt between 1856-1905 amounted to nearly 35 millions sterling, and the new shares subscribed in 1905 alone reached a total of over 10 millions.[1] One has also to reckon the older companies, numerous companies registered abroad which operate in Egypt, the capital of individual investors, and the interests of the great English contractors engaged in the colossal irrigation works. Some of the more recent enterprises are under the guidance of persons who are in a position

[1] See Edmond Théry, *L'Egypte Nouvelle au point de vue économique et financier*, pp. 164-6.

to exert considerable influence in the political world or at court. The new Bank has for its chairman Lord Milner, and among individual investors is Sir Ernest Cassel, whose name was often to be found in the *Court Circular* as the guest or host of King Edward. These foreign capitalists would regard the creation of a national government in Egypt as a disaster to their enterprises. If one enquires precisely why, the answer will require some sifting and interpretation. We should be told, of course, that a national government would be certainly inefficient, probably corrupt and possibly fanatical, all of which would be very bad for business. The real fear is, however, I think, that under a Parliamentary *régime* power would be entirely in the hands of the natives of Egypt, who are almost exclusively engaged in agriculture. Finance would be unrepresented, and in the inevitable clash of interests between those who own and till the land, and those who lend money on the land and handle its crops, the bias of a native government would certainly not be on the side of the foreign capitalist. The same fear which causes the City to dread and oppose a Liberal Government in Great Britain also ranges the same classes against a Nationalist *régime* in Egypt—not because the Egyptian Nationalists have radical tendencies (their leaders are large landowners), but because they would represent native as opposed to foreign interests. This standpoint is hardly concealed in some of Lord Cromer's recent polemics against the Nationalists. He contests in principle the claim of the natives of Egypt to any exclusive right to manage their own affairs. His

demand is that if ever autonomy becomes possible, the Egyptian Government must somehow "represent the views and interests of all the inhabitants of the Nile Valley." If ever there is an Egyptian Parliament, he urges, "persons of foreign extraction should be represented on account of their intelligence and the stake they have in the country."[1]

In these sentences is outlined one of the most startling doctrines of Imperialism. It is the same claim which was put forward by the great mining houses on behalf of the Outlanders of the Transvaal. It amounts to this, that any country which is being developed by foreign capital, must be prepared to admit its foreign population to a share in its representative institutions, and this, apparently, even when the foreign population has no intention of acquiring the nationality of the country in question, or of taking up its permanent residence within it. No one who knows anything of Egypt can suppose that the Europeans resident there would ever dream of surrendering their favoured status as the privileged subjects of Great Powers. A European who did so would be regarded as a pariah by his fellows. Lord Cromer, however, proposes that men who will not become Egyptians should none the less have a vote in electing an Egyptian Parliament. Capital in such a claim mocks at the spirit of nationality, and degrades the conduct of a people's life to the level of a joint-stock company, in which every man who has bought

[1] See *The Situation in Egypt*, an address by Lord Cromer to the Eighty Club, published by Messrs. Macmillan in 1908, pp. 17 and 27.

a share is entitled to a vote. In one way or another, foreign capital which has once established itself in a weak country will insist on controlling its destinies —first by diplomacy, then by armies, and, finally, by the machinery of the ballot box. When Lord Cromer put forward this paradoxical proposal as an alternative to nationalism, and recommended it as an "ideal" to the Egyptians, he revealed the real reason why national self-government, in the view of the investing classes, is impossible for Egypt. Capital is opportunist. It has no rooted objection to representative institutions. It makes only one condition—that it shall somehow dominate them. It can have no illusions about Egypt. Against a solid native Moslem majority of 92 per cent., its agents could do nothing at the ballot-box. That is why it has steadily refused any real power to the rudimentary elective council which exists in Egypt. That also is why Lord Cromer, a subtle politician with a habit of forethought, looking forward to the indefinitely distant time when some kind of Parliament must at last be conceded, proposed to entrench the foreign residents, who stand on the whole for European finance, in a separate elective Upper House. Capital was strong enough to bring the occupation about. It is strong enough to maintain it. Despite all our pledges and promises, no Conservative Government will ever wish, no Liberal Government will ever dare to end it. It will last as long as our Indian Empire. When the time comes in India or in Egypt to recognise, against our will, the full maturity of the native races, we shall, in one form or another, be confronted with some

proposal resembling Lord Cromer's scheme. Foreign capital has acquired a stake in these countries. It prefers to protect that stake through the strong arm of a foreign occupation. But if ever self-government becomes inevitable, it will urge that the millions which it has invested have somehow a personality which outweighs the humanity of the millions whom it exploits. Let every man, as Bentham used to say when he defined democracy, count for one, and no one for more than one. But capital must be balanced against their numbers. By arms or by diplomacy, by a commission of control or a plutocratic constitution, it will know how to acquire and to keep the effective mastery of any country which it enters.

We have traced in the recent history of Egypt the typical exploit of modern Imperialism. We have seen that the force which impelled our policy was not trade but finance. Confronted by the new power, Liberalism bent, broke, and in the end adapted itself. We have traced the influence of a single act of self-aggrandisement upon our relations through thirty years with other Powers. It made our enmities. It made our friendships. It dictated our behaviour in adjusting the balance of power. Once more and in detail, we have seen that the diplomatic rivalries and competing armaments which make the European fear, have their origin, not in the need of assuring our own homes and our own security, but only in the restless movements of capital to win fresh fields for investment. Behind the abstractions of high politics stand an indifferent democracy at home, which had in this adventure no interest to serve and no passion

to sate, and in Egypt the passive figure of a subject nation, which our rule has kept ignorant amid left-handed gifts, and condemned to a paralysis of will, while it enjoyed the boons that are the by-products of our gains.

NOTE.

The comparative neglect of Education under Lord Cromer in Egypt is far from being an isolated case in the records of Imperialism. It is indeed normal. In India, Mr. Gokhale and the more moderate Nationalists are still agitating with little prospect of early success for a system of compulsory elementary schooling. Our newer African colonies make an interesting study, both in what has been done and in what has been omitted. The record of good work stands beyond cavil or denial. Tribal wars and slave-raiding have been everywhere repressed. The making of railways and roads is gradually liberating the natives from the brutalising and dangerous occupation of carrying. Nomad tribes settle down to agriculture, and the agricultural tribes gradually improve their stupid and wasteful methods of cultivation. Most of these colonies have experimental botanical stations, and in the more advanced of them native instructors are going from village to village to teach the people how they may profitably grow the cocoa-palm, the rubber-vine and the cotton plant. The motive in all this is not primarily altruistic. It is being done because we in Europe require cheap and abundant tropical produce. It is none the less a civilising work of which no people need be ashamed. It is weaning the natives from rapine and war, developing in them a taste for work which is both educative and profitable, and raising their standard of living without subjecting them to servile conditions.

The ambition to make a colony profitable may achieve much, but it has its definite limitations. If the disinterested desire to civilise really played an appreciable part in the motives of colonising peoples, the work on which they would first concentrate their energies would be education. One may doubt whether a literary education is the best for negroes, and the system of attempting to Europeanise the natives which some of the older missionary organisations

adopted is open to grave criticism. But there can be little intellectual advance until the natives read and write their own language and acquire some habits of orderly thought. Nature they know and observe, and they can be taught the elementary facts of science—the first step towards the destruction of superstition and the growth of the sense for the causes of things. They have eyes and ears, and can learn to draw and appreciate music. They are eager to acquire the technique of weaving, carpentry and metal work, and the practice of agriculture. The more the Imperialist insists that they are children, the more obvious is it that they ought to be taught. But the central fact which emerges from a study of the Colonial Office reports, is that teaching is the last duty which our Government dreams of assuming. In some of these colonies, notably the Gold Coast and Uganda, the Mission schools are numerous and flourishing. But even in Uganda they receive no subsidy or aid from the Government. In others, for example, Ashanti, their work is as yet inconsiderable, and the report for 1907 remarks (p. 28) that education will "progress but slowly, because the chiefs regard the Mission Schools as a means to an end, *i.e.* the proselytism of the children." If that is true of the Ashantis, who are primitive pagans, it must be still more applicable to Mahommedans. Yet nowhere has any attempt been made to help Islam under our flag to fulfil a civilising mission in Africa. If one turns to the records of a recent acquisition like Ashanti, one realises what really are the essential and important things in our colonial work. There are gold mines, and there is a railway to serve them. There is also a prison, in which out of a total of 691 prisoners there are 67 debtors, and 322 "political prisoners awaiting trial or detained." Under the heading of Public Works (p. 29), one finds this instructive information :—

> "The following public works were commenced or completed during 1907 at Coomassie :—Post Office, female prison, hospital and dispensary, European hospital, laundry in which to wash Europeans' clothes, and several buildings for the Gold Coast Regiment."

Turning the page, one learns that "a 13-hole golf course has been completed." Gold mines, prisons, barracks, a laundry for Europeans built with public money, and a golf course, these are our works of civilisation. But there is no school.

Here, clearly, is work for a critical group in Parliament to achieve. It is essential to protest against the occasional barbarism of military expeditions, the alienation of native lands, the imposition of ill-devised taxes, the stealthy introduction of servile labour conditions. But that is not enough. The first duty of an Imperial race which works itself into a passion of self-admiration over the "white man's burden" of civilising and teaching is to assume it. Niggers cannot be civilised by learning English oaths as caddies on the Coomassie golf course, nor even by washing European clothes in an Imperial laundry. The burden will be shouldered when we create in all these colonies a governmental system of education. There seems to be no real objection to subsidising Mission schools, under proper inspection, in places where (as in Uganda) large sections of the native population are quite pleased to be "proselytised." But a systematic effort should be made to raise the Mahomedans to the level of their own creed. That can be done only through Mahomedan teachers. A wise policy would begin by encouraging, in suitable centres, colleges (madrasseh) in which under qualified Moslem doctors, teachers, priests and judges would be trained, who would be missionaries of enlightenment as well as of Islam. The Arabic language and culture in an Arabic dress may penetrate where a purely Western civilisation would be a mere exotic.

CHAPTER IV

CLASS-DIPLOMACY

One heard constantly repeated during the period of our antagonism to Germany a statement as irrelevant as it is true. The two peoples, we are told, have no quarrel. There never yet was a war for which the masses of any nation were responsible. Yet wars occur. Over the march of foreign affairs, public opinion can exert only a rare and spasmodic control. It is interested in affairs abroad only when they are striking and spectacular. A revolution, a massacre, an earthquake, a general strike—such happenings excite its attention. But the slow and tedious and often secret procedure by which the Powers conduct their diplomatic chess is rarely interesting, and never fully known. One may doubt whether more than a hundred persons in these islands made any sustained attempt to follow in close detail the elaborate intrigues of the Franco-German struggle for Morocco, though twice at least it came near involving this country in war. Nor does the machinery exist by which public opinion, were it alert and decided, could bring to bear on the Foreign Office a degree of pressure which would seriously modify its attitude. In all European countries foreign affairs are in the hands of a close

bureaucracy, which is rarely amenable to any pressure but that of the small governing class and the financial interests allied with it.

Public opinion under representative government has only one direct and effective means of expression, and that is at the polls. Twice only in our day and in that of our fathers have general elections turned even partially on a foreign or Imperial issue. Mr. Gladstone made his opposition to Disraeli's pro-Turkish and Imperialist policy prominent in the Midlothian campaign of 1880. Mr. Chamberlain's electoral strategy brought about an appeal to the country midway in the Boer War. These were broad and human issues, but in neither case was the contest so timed as to affect the conduct of affairs. The Eastern Question had been irrevocably settled for a generation at Berlin when Mr. Gladstone appealed to the verdict of Midlothian, and in spite of the verdict of the country against Imperialism, Mr. Gladstone at once proceeded to occupy Egypt. The "Khaki" election could hardly have modified the course of the war even had it resulted in a defeat for Mr. Chamberlain's policy. It would be hard to name a single bye-election in recent memory, save during the Boer War, in which a foreign question has been seriously raised even as a secondary issue. Nor is this surprising or unnatural. Save in moments of grave crisis, a foreign issue can never compete in the mind of the elector with such issues as tariff reform, industrial insurance, or even Home Rule. For the same reason parties need rarely fear the defection of their followers by reason of the aberrations of their foreign policy. The Den-

shawai hangings and the Russian understanding provoked much genuine indignation among Liberals. But did the party lose a dozen adherents because of them? It is, in short, in its domestic policy that a Government is judged in the country. So far as any consequences go which can be measured in bye-elections and votes, its leaders in their foreign policy are virtually irresponsible. This is, indeed, much more obviously the case with us than with the Germans, and that for a simple reason. The German Reichstag is busied mainly with Imperial affairs—the army, the fleet and foreign policy—while the greater number of domestic issues are left to the diets of the several Federal States which compose the Empire. With us the same Parliament is busied with the whole range of public policy, and the inevitable result is that parties are formed and Government judged primarily on the lines of domestic policy.

It has of late years been explicitly recognised that foreign affairs stand outside the sphere of party conflict. There must be, it is said, "continuity" in foreign policy, and within certain limits, the doctrine is reasonable. Our position in the world would suffer somewhat, if rival parties alternately denounced or amended each other's alliances and treaties, as they amend or end each other's laws. But in practice this doctrine has so operated as to destroy any possibility of a democratic impulse in foreign affairs. When Lord Rosebery enunciated this principle of "continuity," Liberalism quietly renounced its special traditions in foreign policy, and proclaimed its readiness to follow with docility

the lines which Conservatives had laid down. The first consequence of this doctrine was that in selecting his Foreign Secretary a Liberal Premier must choose a candidate who will be acceptable to the Opposition. In other words, whichever party is in power, the Foreign Secretary will always be an Imperialist, a personality whom the *Times*, the City and the Conservative Party can unreservedly trust. A Radical can no more become Foreign Secretary than a Roman Catholic can become Lord Chancellor. The doctrine of "continuity" means that foreign affairs have in effect been removed from the sphere of party government, and are now influenced only by the opinions of the governing class, of those, that is to say, who move at court and in society, who regard the army and the civil service as careers reserved for their families, and survey the world beyond these islands mainly as a field for the investment of their surplus wealth. The phase of middle-class sentiment expressed by such a newspaper as the *Daily News*, formidable in Gladstone's day, is now almost as powerless to affect foreign policy as is that of organised labour itself.

The purely bureaucratic character of our foreign policy is to some extent disguised by the existence of a certain number of unofficial leagues or committees which on minor issues do appear in different degrees to possess some influence in Downing Street. They fall into two groups. The Congo Reform Association, the Balkan Committee and the Anti-Slavery and Aborigines Protection Society do unquestionably exert a real influence. The various Peace Societies, the Friends of Russian Freedom,

the Persian, Egyptian and Indian Committees can hardly be said to exert any influence whatever. The societies in the first group are wealthier and better organised than those of the second. That means primarily that the tendencies which they represent are well entrenched within the governing class. They can always secure peers and bishops for their platforms, and great capitalists sit on the inner executive committees of several of them. That was notably so in the case of the Congo Reform Association. The Balkan Committee, considerably less wealthy and rather less powerful, has no commercial connections, but it can reckon on the Archbishop of Canterbury when it has occasion to send a deputation to the Foreign Office. The Anti-Slavery movement has behind it the traditional support of many powerful families, mainly Quaker in origin, connected with banking and industry. It is, in short, rather the weight of the individuals which support these movements than the numbers behind them which ensures success. They are influential just in so far as they can persuade or delude the Foreign Office into the belief that they speak for society and for capital. An organisation which has large funds and imposing "names" behind it can always make an agitation if it employs a competent secretary. A society which has no funds and relies on unpaid services is seldom a real force. But it is doubtful whether any of these organisations could drive a Minister who had himself no sympathy with their aims, to modify his policy in accordance with their claims. Their function is rather to "strengthen his hands," and to create a public opinion in support

of the policy to which he already stands committed. But none of these bodies is concerned with the more vital aspects of British policy. The decisive departures of recent years—the Japanese Alliance, the French and the Russian *ententes*—lie wholly outside their scope. In the main lines of his policy a British Minister is quite beyond the reach of any organised opinion. It is indeed one of the most curious, and in a sense, creditable aspects of English national psychology that public opinion organises itself and seeks articulate and popular expression only in regions of foreign policy to which some humane instinct leads it. It really cares about negro slavery, Congo horrors and Turkish massacres, and on these questions asserts itself. It will, on the other hand, sit inert and dumb while a Foreign Minister concludes with an almost unknown and not exactly sympathetic Asiatic Power like Japan, a treaty of alliance which may at some distant date force us automatically to bear our share in a war in no way connected with our interests and quite beyond our control. One may admire the generosity of this curious concentration of attention on questions which do not directly concern us, but one cannot justify the neglect of other issues which are of vital moment.

These leagues rather make opinion than express the spontaneous movements of the mass mind. The same thing is roughly true of newspapers. On the broader issues of domestic policy newspapers are some guide to the trend of opinion, for the simple reason that if they took to expressing opinions repugnant to their readers they would cease to "pay." If a newspaper prospers and is widely read, the

presumption is that its views about tariff reform or Socialism or religious education are in the main those of the tens or hundreds of thousands of persons who buy it daily. But no such inference can be drawn from its views about the Japanese Alliance or our policy in Persia. Readers rarely have ready-made opinions on such points, and if they have, do not usually penalise a paper which takes the other line. The real importance of newspapers depends less on their leading articles than on their power to present or colour or suppress facts. Here the masses are absolutely at their mercy. In this connection one has to remember that their proprietors are always capitalists, and are sometimes interested in foreign investments or in armaments. They sell news, and it is usually the bureaucrat, the Minister, or the financier who is able to supply news. Occasionally newspapers have been known to accept a service of telegrams gratis or at reduced rates from some individual or organisation which has an interest to serve in forming public opinion. The excitement which produced the Boer War was largely fostered by such methods. A newspaper which takes an anti-Imperialist attitude, even if it keeps its readers, is often penalised by advertisers who withdraw their advertisements to penalise it for its "unpatriotic" attitude. Such withdrawals of valuable advertisements have happened, to my knowledge, because a newspaper opposed an increase of the Navy Estimates. A newspaper which opposes a loan to the Russian Government will suffer in the same way. Newspapers, in short, are one of the most powerful means by which capital and the dominant interests

can create or suppress opinion. They are not in foreign affairs to any great extent a means by which spontaneous and disinterested opinion makes its power felt. The ability of the Liberal press to influence the Foreign Office has been tested during Sir Edward Grey's long term of office. The *Nation*, the *Manchester Guardian* and the *Daily News* have been steadily critical of the whole trend of his policy, and incidents have sometimes moved them to outspoken indignation. Yet it is only within modest limits, and then only when a section of Conservative opinion was with them, as it was in the later phases of the Persian question, that they have seemed to deflect his course of action.

The Constitution provides three checks by which a Foreign Minister can be restrained from the pursuit of an arbitrary or merely personal policy. They are usually, though not always, powerful enough to prevent a wilful Minister from following an eccentric or individual line of action. But neither any one of them, nor yet all three together, offer any guarantee that his attitude will be a deliberate expression of the national will. The checks in question are those exercised by the Crown, the Cabinet and the House of Commons.

The formal rights of control which the House of Commons enjoys are exceedingly limited. It may question the Foreign Secretary, debate his policy on motions or resolutions, and express dissatisfaction by reducing the estimates for his Department, but there its effective powers end. One has only to compare its rights with those of other Parliaments to realise how unusually meagre they are. In the

first place its assent is not required for a declaration of war, which means that it cannot interfere effectually before the event to delay a rupture, to enforce arbitration, or to overthrow a Minister who had failed to exhaust on behalf of peace all the resources of diplomacy. In France the assent of the Chamber, in the United States that of Congress, and in Germany that of the Federal Council (Bundesrath) are required for a formal declaration of war. When once war is declared and the reserves are called up, Parliament must be summoned to vote supplies. But the die is already cast, and the friends of peace can then register only an academic protest. Perhaps the worst consequence of this defect in our constitution is that a Government may with ease drift or rush into war during the long months between August and February in which the House does not always sit. If its assent were requisite, a Government would be practically forced to summon it as soon as events became critical, and to submit its conduct of the negotiations to public criticism. In the present condition of party discipline a united Cabinet with a large majority behind it, could usually count on obtaining the assent of its drilled followers to a declaration of war. But the necessity of first submitting its policy to a detailed examination would still tend to restrain it in any provocative course. I have heard experienced politicians argue that the South African War could not have broken out had Parliament been sitting in October, 1899.

Still more important is the impotence of the House of Commons in regard to Treaties. Unless they include financial provisions, there is no obliga-

tion to submit them to Parliament, and no discussion can take place upon them until they are already signed, ratified, and published to the world. One consequence of this is that a secret treaty is for us no less binding than a public instrument. A secret treaty duly signed and ratified by one British Government would bind its successors. In theory the King and his Foreign Minister, acting with the consent of his colleagues in the Cabinet, can and do contract the most solemn and vital obligations in the name of the forty millions over whom they rule in these islands, without consulting their elected representatives. They can make war and peace, they can annex or alienate territory, they can assume obligations which may oblige not only us but our children to go to war in support of an ally in a quarrel not our own. Such unchecked authority belongs to few other civilised Governments. In France the consent of the Chamber, in Germany that of the Reichsrath, in the United States that of a two-thirds majority of the Senate is required to render a Treaty valid. In practice the American Senate has often used its right to veto Treaties. In France and Germany the obligation is habitually evaded when Treaties of Alliance are contracted. The terms of the Dual and Triple Alliances are not fully known, though their general tenor may be guessed. It may be said that the right of revising or rejecting treaties is unimportant, because a Government can usually circumvent it by concluding secret arrangements. It could do so, however, only if Parliaments were servile and indifferent to their rights, and even so a secret arrangement unconstitutionally con-

cluded by one Minister could always be ignored or modified by his successors. Two recent instances serve to remind us of the immense power which this right of concluding Treaties places in the hands of the Foreign Minister—the Japanese Alliance which compels us to support our ally with arms, if any other Power should attack her, and the Anglo-Russian Agreements which partitioned Persia into two unequal spheres of influence, and so virtually surrendered the destinies of the Persian nation, at a moment when it was struggling to maintain its constitution, to the discretion of the Russian bureaucracy.

The extent to which Parliament may use its general right of criticism and debate to influence Foreign Policy, has enormously diminished in recent years. Debates on foreign affairs in the generation of Palmerston and Russell, and even in that of Gladstone and Disraeli, were more frequent, more animated, more influential. It is the doctrine of "continuity," and the growing power of the Cabinet which destroyed both the initiative and the control of the House. It is now an established convention that foreign affairs shall not be made a subject of party controversy. Formerly the acknowledged leaders of public opinion used all their resources of argument and invective to criticise a Minister's foreign policy. To-day the two Front Benches are agreed to exempt all such questions from serious debate. It is left to the Labour Party or to a few incorrigible rebels on the Radical benches to introduce the only real element of criticism which survives. Their speeches are reported in a few lines,

and for the most part they speak to empty benches. The physiognomy of one of these discussions makes one despair of the introduction of any really democratic element into foreign affairs. The subject is, let us say, Turkey or Persia. The House empties at once, and a listless remnant of perhaps twenty members waits to encourage a friend or to seize the opportunity to speak. It fills again only when Sir Edward Grey rises to dismiss, with his musical voice and graceful address, criticisms to which few of his hearers had troubled to listen. One sometimes suspects that the House and the governing class generally, regard it as an impertinence in any one outside the inner circle to meddle with foreign affairs at all. *Punch* recorded its opinion of one of these debates in a cartoon which deserves to be remembered. When Mr. Keir Hardie and Mr. John Dillon raised in the House the question of the Denshawai hangings, it depicted Sir Edward Grey, the defender of these panic-stricken methods of barbarism, as a mediæval knight in armour mounted on a splendid charger, at whose heels two ill-conditioned curs with the heads of the Labour and the Irish leaders barked and snapped in vain. "The Grey Knight rides on" was the legend beneath it.

The opportunities for these debates grow fewer every year. The House is busy with domestic affairs, and both Front Benches discourage these excursions into distant fields. There are only two or three regular opportunities during the session for formal debate, and even these are sometimes omitted and often curtailed. It is now rarely possible to raise an urgent question by a motion

for the adjournment of the House, because the miserable stratagem of the "blocking motion" is freely used to present discussion. The subjects which do generally get discussed are those on which Ministers rather like to have their "hands strengthened"; the Congo question, for example, was sometimes debated twice or thrice in a single session. On the other hand the really large and vital questions of public policy are rarely raised, or, if raised at all, raised too late. Thus it was quite impossible before the second Hague Conference to discuss the instructions given by the Foreign Office to our representative, Sir Edward Fry, and in particular to consider whether he should be empowered to support the obsolete barbarism of the capture of private property in wartime at sea. One all-important question has governed all our foreign policy since the Liberals came into office—the antagonism of the two European Groups, and the struggle to maintain a balance of power. Save for brief references in the naval censure debate of 1909, this subject has never been discussed in its general aspects, while the Moroccan crisis led to only one important debate (after the crisis of 1911) and even then it shared an evening with other topics. The practice of other Parliaments is more democratic and less secretive. The French Chamber and the German Reichstag have often in the same period discussed the larger aspects of European policy in debates which continued for two or three days. It is no compensation for the meagreness of our debates that our House of Commons has what other Parliaments lack, the right to "heckle" a Foreign Secretary by

question and answer. Questions are invaluable for the clearing up of facts, but they are nearly useless for the discussion of policy.

One other point must be noted. Whatever moral influence the House of Commons may be able to exercise in a vague way by asking questions and making speeches, it is practically debarred from translating this influence into the imperative mood of a vote. A Foreign Secretary may if he pleases allow himself to be guided by the fact that the "tone" of the House was on a given occasion somewhat hostile or critical, or that respected members urged him to take up a certain line of policy. But he need never fear an adverse vote. It would nowadays be considered quite scandalous if the Opposition Whips were to tell against the Foreign Minister in a division. Be the Foreign Minister Liberal or Conservative, it is only the Labour Party and a handful of Radicals who ever do vote against him. The reasons are obvious. A vote against the Foreign Minister is a vote against the entire Government, and his defeat, in almost any conceivable circumstances, would entail a dissolution. Few members, if any, are prepared to jeopardise free trade for the sake of a scruple about Persia, or to risk the future of social reform at home to save the skins of a few Egyptian peasants from an unmerited death or a public flogging. As Lord John Russell once remarked when Palmerston obtained a majority for his highly provocative policy, "the fate of the Government had been staked upon it, and many people voted on that account who would not have supported the foreign policy." (*Queen Victoria's Letters*, ii. 313.)

In plain words members vote for or against a Government; they do not vote on the merits of any particular foreign issue. While that is so, it is evident that the House of Commons can exercise no serious control over foreign policy.

One is tempted to suppose that however weak the Commons may be as a board of control, the Cabinet is at least in a position to act as a serious check upon a Foreign Secretary. It consists of picked men; it sits in secret; it has all the facts and the documents before it, and it can intervene before an act is irreparably consummated. These are immense advantages, and though the Cabinet represents only one party, it usually contains enough diversity of temperament and opinions to make a real debate possible. It is difficult for an outsider to know how far any given Cabinet exerts its rights of corporate responsibility, but history furnishes some materials for an answer, and they are not reassuring. Much depends on the personality of the Minister. A headstrong and obstinate man will have his way in a Cabinet, as in less august committees, if he is also able and a power in the country. Queen Victoria's letters are a mine of information on this point. It is clear from them that Lord Palmerston, one of the ablest but one of the most reckless Foreign Ministers that this country has ever produced, was on most occasions a law unto himself. No Minister stood more in need of constant control, yet he was usually successful in evading it. It is frankly admitted in these letters that Lord John Russell, the Prime Minister, was quite unable to control Palmerston, who constantly acted in large

issues without the authority either of the whole Cabinet or even of his chief. He even went so far as to recognise Louis Napoleon after the *coup d'état* entirely on his own responsibility, and against the wishes, not only of public opinion, but of the Queen and his own colleagues. To the suggestion that he should be dismissed, Lord John Russell always answered that if he were dismissed, he would avenge himself by going into Opposition and overthrowing the Government. How just this fear was, events showed. He was eventually forced to resign at the end of December, 1851. By February 1852 he had unseated his late colleagues. A Cabinet which cannot dispense with a Minister must be prepared to give him a free hand.

There is a further difficulty in exerting any real control. A Cabinet is not a simple committee. It is a Committee in which each Minister is the head of a department. His main concern must always be to further the interests of that department. His reputation depends less on the general policy of the Ministry than on the success of his own Bills. If he on his side has to meet some opposition in the Cabinet, he will be the less disposed to rouse further antagonism by interfering with a colleague. A Minister has, let us suppose, concentrated all his dreams on passing a certain Bill. He becomes meanwhile uneasy about the trend of foreign policy. He makes a protest, which passes unheeded. Is he to insist, knowing that insistance may involve his own resignation, and the loss of the Bill on which he has set his heart? The chances are that in such a dilemma he will usually elect to go on doing his own duty

in his own department, and to leave the Foreign Secretary to bear the responsibility for his own omissions or mistakes. The tendency will always be to leave a Foreign Secretary alone, if he on his side is equally considerate to others. Thus Lord John Russell, attempting to explain to Queen Victoria why it was so difficult to control Palmerston's vagaries, remarked rather naïvely that he was "a good colleague," a term which he proceeded to define as a Minister who does not interfere with other departments, and demands in return a free hand for himself.

The Foreign Secretary is indeed, as a rule, much more his own master than any other member of the Cabinet. He makes virtually no demands for money, and therefore the Chancellor of the Exchequer is not called upon to exercise over him the constant vigilance which he is authorised to use towards the great spending departments. But the main reason for his freedom is the simple fact that in most Cabinets, and more particularly in Liberal Cabinets, few Ministers have the requisite knowledge to enable them to check his proceedings. Thus, in 1860, at a time when foreign affairs were intensely interesting, and all England was moved by the resurrection of Italy, Palmerston put it on record, in speaking of his colleagues, that "Mr. Gladstone is almost the only one on the Treasury Bench who follows up foreign questions close enough to take an active part." In a Cabinet so constituted, the Foreign Secretary will certainly have his way, simply because he is the recognised expert. His colleagues may feel a vague disquiet about his doings, but they

lack the detailed knowledge to meet him in debate. In the Liberal Cabinet, as it was proved in 1906, Mr. Bryce was the only member who had studied foreign affairs closely enough "to take an active part," and he left it early to become Ambassador in Washington.

But one is not left to conjecture in estimating the small part which Cabinet control plays in the conduct of foreign affairs. There are instances in modern history which show how slack and nerveless is this control, even when the issue of peace and war is at stake. It may be enough to cite two of them in order to illustrate this point. The history of the negotiations which led up to the Crimean War goes to show that four men and four only were responsible for British policy,—Lord Clarendon, the Foreign Secretary; Lord Aberdeen, the Prime Minister; and Lords John Russell and Palmerston, whose experience made their advice worth seeking. The war was made by these typical representatives of the governing class, and it is especially significant that none of the commoners in the Cabinet seem to have claimed a voice in the negotiations. Lord Morley, in his *Life of Gladstone*, who was one of the silent members in this Cabinet which allowed itself to drift under its aristocratic leaders into this most unnecessary war, adds this comment (Vol. I. p. 357, popular edition) :—

> The Cabinet as a body was a machine incapable of being worked by anything like daily and some times hourly consultations of this kind, the upshot of which would only become known on the more important occasions to the Ministers at

large, especially to those among them charged with the most laborious departments.

In other words the Cabinet as a whole had no real responsibility for the war, and some at least of its members were even content to remain in ignorance of the detailed steps by which war became inevitable. Moreover, Mr. Gladstone and Lord Morley are apparently of opinion that the Cabinet is a machine which cannot be used with effect to control delicate negotiations. Another even more startling illustration is to be found in Lord Morley's *Life of Gladstone* (Vol. II. p. 4). In August, 1865, the *Alabama* affair entered on a critical phase, when the American Ambassador presented a demand for compensation for the damage done by this privateer during the civil war; should compensation be refused, he suggested that the affair be referred to arbitration. Lord Russell flatly refused all compensation; what was much more serious, he refused no less categorically to submit the question to arbitration—a refusal which was reversed three years later by a Conservative Government. This despatch was written and presented on Lord Russell's sole responsibility. The Cabinet had not so much as discussed the question. If a Foreign Secretary may refuse arbitration without consulting his colleagues, it is hardly too much to say that he may by his own individual act render war inevitable. The modern practice seems to be to leave even the gravest questions to inner circles or sub-committees of the Cabinet. It was admitted, for example, that Mr. Lloyd George's Mansion House speech during the crisis of 1911, in which Germany was publicly warned that we were

prepared to go to war over the Moroccan question in support of France, was made without the authority of the Cabinet. It was delivered after a consultation between Mr. Asquith, Sir Edward Grey and Mr. Lloyd George. That speech came near provoking war, and left a heavy legacy of bitterness behind it. If the Cabinet need not be summoned to consider even such crucial acts of foreign policy as this, it is clear that it cannot be regarded as a trustworthy check upon a Foreign Minister.

There remains a third check, which, unlike the others, is really operative, but it is a check which rather enforces than bridles the normal tendencies of the governing class. The Crown under Queen Victoria succeeded after a long and bitter struggle with Whig Ministers in establishing its right of control over the minutest details of foreign policy, and under King Edward its privileges were more than maintained. Queen Victoria's letters are in the main a record of the immense part which she and the Prince Consort played in determining foreign policy. Her point of view was logical and consistent, and it was almost invariably anti-national and anti-democratic.

The Queen's attitude towards the resurrection of Italy is peculiarly interesting, because it is typical of the mode of thinking which even the most enlightened Monarch would almost always assume in similar circumstances. She was very far from being reactionary, and she uses on occasion very critical phrases about Metternich and the Tsar Nicholas. On the other hand, the world in which she moved was a world of monarchs and governments. Nations she

neither knew nor recognised. In the tremendous upheaval between 1848 and 1860, which was creating an Italian people, she saw nothing but a series of aggressions by Sardinia against Austria. All governments, in her eyes, were alike entitled to the same respect and the same fair treatment. She based herself exclusively on treaties and the *status quo*, and to her the fundamental fact was that Austria had certain "rights" in Italy. Her personal sense of honour was keen and sensitive, and towards other monarchs and other governments she never forgot the golden rule, but her interpretation of history was tinged by an almost legal bias, and she would argue over the fate of an Italian province exactly as a lawyer might argue over the ownership of a freehold. When Palmerston and Louis Napoleon were talking in 1848 of a plébiscite to decide the fate of Lombardy, she declared that "it will be a calamity for ages to come" if peoples are allowed to transfer their allegiance by universal suffrage. Garibaldi's expedition to Sicily filled her with something much deeper than political disapproval, and she tried hard to induce Russell to express "moral reprobation." She had a fellow-feeling with Austria, and it was quite in vain that Russell and Palmerston used to remind her that the King of Sardinia was doing in Lombardy exactly what William of Orange had done in England. Never through this whole period does she seem to have caught a glimpse of an Italian nation. She saw only an Austrian Emperor and a Sardinian King. In the main she failed to deflect Whig policy, but she did impose hesitations and delays, and it is just possible that

if she had supported Palmerston in 1848, Italy might not have had to wait eleven years for liberation. Sometimes, indeed, she based her caution on a love of peace. But while she loathed the idea of any policy which might conceivably end in armed Anglo-French intervention to free Italy, she wholly approved armed Anglo-French co-operation in 1854 to maintain the integrity of Turkey. Her point of view was not personal. It would be that of any monarch for whom kings and governments are the central realities of politics.

The control exercised by the Crown is in short open to all the objections that may be raised against the control of the House of Lords over legislation. It is almost certain to be anti-popular, and it will almost certainly be one-sided. The Crown throughout the period covered by Queen Victoria's letters used its influence with remarkable steadiness, and always in one sense. There is nothing in these letters to suggest any attempt to hold up the other scale of the balance while the Tories were in office. A constitutional monarch, who regarded himself as a trustee for his people and a permanent force making for continuity, moderation, and peace, would be compelled to argue on occasion for the Whig against the Tories, and for the Tories against the Whigs. But that would imply an almost impossible agility of mind. Nor did the Queen's intervention satisfy the other ideal requirement of a constitutional check—that it should be so far as possible an impersonal *vox populi*, uttering in secret affairs the unspoken, and perhaps unconscious, opinion of the nation. In all the debates between the Queen and

the Whigs, the one argument which she never used was that British opinion was on her side. She argued from prudence, from justice, from legality, but never from public opinion. Indeed it was rather for the monarchs of Europe that she seemed to speak, as Lord John Russell hinted, when he defended Palmerston's policy from her criticisms ;

> Somewhat of the good opinion of the Emperor of Russia and other foreign Governments may be lost, but the good will and affection of the people of England are retained.

The most determined of several attempts which the Crown made to remove Palmerston from the Foreign Office took place immediately after the great debate on foreign policy, in which his memorable "*Civis Romanus Sum,*" won for him an ovation and an overwhelming vote of confidence. Parliament was more than satisfied, but the Crown still demanded his dismissal. The Crown is certainly a powerful check upon the Foreign Office, but it is necessarily an incalculable and purely personal check. Above all it is a check which tends to make our policy even less democratic and more conservative than it otherwise would be. There is little or nothing in her letters to suggest that Queen Victoria allowed any personal dislike which she might entertain for a foreign monarch to deflect her attitude in politics But rumours, too numerous and too consistent to be quite disregarded, suggest that the personal antipathy between her successor and the German Emperor played a considerable part in estranging their two Governments. A dangerous constitutional precedent was created when he was allowed

to pay what clearly were political visits to foreign monarchs, unaccompanied by the Foreign Secretary.

A survey of the machinery of our foreign relations would be incomplete, which was content to demonstrate the absence of any guarantee that it will broadly interpret national interests and public opinion. The character of the machine itself is at least as important. From Downing Street to Pekin, the diplomatic service is based on the assumption that the relations of States mean in practice the relations of their upper classes. Commerce and finance enter into its calculations as they rarely did in earlier centuries, yet diplomacy continues to be the game of courts. The Foreign Secretary is almost invariably a peer, or if not a peer at least a member of some historic governing family. Entry to the diplomatic service is still by nomination, though nearly every other branch of the Civil Service has been thrown open to competition. No young man can enter it unless he is possessed of private means. By such methods its permeation by democratic sympathies is carefully guarded against. Once within its ranks a young man readily learns that alike at home and abroad he is expected to move in "good society," and in "good society" alone. He becomes familiar only with that aspect of the life of a foreign nation which is normally frivolous and reactionary. He will meet the Ministers and the leaders of fashion of the country to which he is accredited; he will not meet the people. In such a country as Russia it would be fatal to his prospects, if he were even to consort with middle-class Liberals. It happened on one occasion that Professor Miliukoff,

the Russian Liberal leader, visited the United States on a lecturing tour. President Roosevelt proposed to receive him. The Russian Ambassador successfully protested, and the visit did not take place. One may infer how little probability there is that our Embassy or any Embassy in St. Petersburg will meet persons who are in bad odour at the Tsar's court. It follows that the views formed by an Ambassador and embodied in his despatches, are views matured in the atmosphere of courts, by a man isolated from popular influences in the country where he lives. It sometimes happens, moreover, that the Ambassador does not know, and does not take the trouble to learn the language of the country in which he lives. He does his work in French. In such a country as Turkey the consuls are commonly better equipped as linguists, more closely in touch with the people, and much more popular in their sympathies than the staff of the Embassy. But it is the Ambassador's opinion in policy and not that of the consular corps which reaches the Foreign Secretary. Diplomacy is in all countries the acknowledged preserve of wealth and birth. The German Emperor actually objected to a man of some eminence and distinction, whom the United States proposed to send as Ambassador to Berlin, on the ground that his private fortune was not large enough to permit him to entertain on a scale as lavish as fashion in the Prussian capital exacts.

The words of an Ambassador or a Foreign Secretary carry weight only because behind them is the force of docile and ignorant masses. To arm him with the prestige which he wields, to back his threats

and to execute his promises, they drill, they labour, they are taxed. He is the trustee of their wealth, the director of their strength. For good or for evil, by their acquiescence he moulds the fate of distant nations, makes for them enemies and friends, fosters or thwarts the fortunes of popular movements in remote continents, adjusts frontiers, drafts treaties and plays with the issues of peace and war. That power the people place in his hands unchecked and uncontrolled. His agents are drawn from one class; the facts on which he judges, the opinions which he weighs, are the facts received and the opinions formed by that class. Nations aspire in vain to fraternity and peace, while the ambitions, the prejudices and the interests of their governing caste dictate their movements and govern their intercourse.

PART II

CONSTRUCTIVE

CHAPTER V

ON PACIFISM

THE earlier chapters of this book have essayed the task of analysing the economic tendencies which explain the armed peace in Europe. As a study of the forces opposed to any humane ideal of the relations which should obtain between peoples, it is incomplete: as an estimate of the real forces at work it is still less adequate. The financial motives which make for Imperialism and underlie the struggle for a balance of power have been isolated and emphasised in this sketch. Behind these influences there are potent causes, intellectual rather than material, which are still at work in the world, attenuated indeed, disguised and shamefaced, but still active as they have been since the dawn of history. The charity, the sympathy that pass beyond frontiers, the sense of a common brotherhood amid the problems of life, the perception of a common interest in opposing predatory and anti-social forces —these have been of slow growth, and even to-day they are a formed habit and a conscious ideal only among the more enlightened individuals of civilised peoples. They seem to have little relation to culture, and are sometimes more highly developed in the proletariat than among the "intellectuals."

The pride of race, the insolence of colour, the megalomania which swells as it contemplates great possessions and vast territories, the theatrical instinct which hails even war as a relief from the drab monotony of modern industrial life, the ignorant distrust of the "foreigner," the inability to seize the standpoint of a rival—all of these reinforce the financial pressure towards expansion. It is not necessary to assume that the interests which profit by Imperialism consciously and deliberately play upon these primitive passions, this vulgarity of mind. They need rarely take that trouble. This emotional crudity, basing itself, as it does, upon a whole series of fallacious axioms and half-truths, requires little prompting. It is always ready to spring into activity at the first hint that British interests are in conflict with those of a rival people. As little need we suppose that the bankers and bondholders and contractors, whose private enterprises are the origin of an international complication, are aware of what they do when they exploit patriotism to secure their dividends. The human mind has an infinite capacity for illusion, and abstract words were made to assist the process. The average selfish employer who withstands a demand for a living wage, convinces himself with ease that he is a pillar of society, and that he is resisting anarchy and fighting against an agitation which would be "the end of all things." We have all learnt to think in a fog of words and to clothe ourselves in abstractions, lest haply we should know that we are naked, and learn to discern evil from good. With the same mellow, habitual hypocrisy, the financier who embroils a nation over his

distant ventures, persuades himself that his own cause is that of the Empire. He reads of himself every day in leading articles. He is one of the "pioneers." He is concerned in "trade," and our trade has "made us what we are." By general consent, it is the business of the Empire to foster and protect our "trade." There is nothing personally sinister in all this, because the financier is acting in accordance with the accepted moral standards of his class, and these are still the dominant standards of every industrial State. The financier who prompts the press to appeal to the lower passions of the mob is not engaging in a cold and calculated wickedness. Subject himself to these passions, he appeals instinctively to those who share them.

The mass of the voters in any civilised country are the prey to interested promptings, when a foreign crisis arises, partly because their knowledge of the actual facts is limited, and still more because their perception of the real causes which govern international rivalries is hazy. They can be stirred by any eloquent emotional appeal. Two tendencies lie latent in their minds in a semi-conscious confusion. Let a group of Labour leaders, English and German, address a mass meeting of British working-men. It can be roused to a real sense of the solidarity between the two proletariats; it can be induced to vote a contribution from its own trade union funds to assist German miners on strike; it will leave the meeting with a real desire for peace and fraternity between the two nations. But it has little power to transform this energy of goodwill into political pressure, and in the existing condition of Parliament there is

comparatively little which a Labour Party can do to further the wishes of their electors in this direction. The good will is unluckily rather fleeting. The same crowd, prepared by the press and artfully stimulated by skilful orators, could also be induced to applaud the speeches of naval scaremongers, and to go away shouting for more Dreadnoughts, and looking for German airships in the sky. The two sets of instincts co-exist in the popular mind, and either can be roused by an emotional appeal. There must be a more educative propaganda, a more conscious effort to fix principles, before any democracy can be trusted to stand firm in moments of national crisis. It is not enough to make the masses feel, as they always can be made to feel while a good orator is speaking, that war is horrible and barbarous, armaments wasteful, and a peace based on arbitration desirable. That feeling is not an adequate intellectual defence against the special pleadings which can always be used to show that each case as it arises is the exception to the general rule. There is no security until the mass-mind has come to understand the working of the capitalistic pressure which tends towards Imperialism and makes great armaments in order to achieve a balance of power favourable to expansion. It is necessary to implant a general and rooted scepticism, which will instinctively ask, when the glowing words and the specious abstractions are deployed, "About what loan or concession or sphere of economic interest are you really talking?" Such a task is beyond the scope, it is sometimes beyond the insight, of the special propagandists of peace. There

are limits to the vision and even more to the action of a propagandist whose outlook is what is rather vaguely termed Liberal. Sincere, disinterested and well-informed though he may be, he cannot always dissociate himself from the very forces that maintain the armed peace of the "Balance." Talking to-day of disarmament and arbitration, he will work to-morrow for a party which is hardly less dependent than its rival on the great contractors and bankers who maintain the modern connection of diplomacy and finance. The work of education and organisation on behalf of peace is carried on adequately only by the Socialist parties, and they alone represent a force whose undivided vote will always be cast against militarism and Imperialism.

The permeation of public opinion by "pacifist" thinking goes on apace, in spite of these difficulties. It has lately received a powerful intellectual stimulus from the work of Mr. Norman Angell. He is probably the ablest pamphleteer who has used the English language since Thomas Paine, and he brings to his task a knowledge of affairs and an insight into the detailed working of the world's machinery which few of the early Radicals possessed. With this he has kept that faith in the power of reason which was the great gift to mankind of the pioneers of Paine's generation. He does not doubt that if he could convince mankind that war is irrational, war would forthwith cease. To bring back such a faith as this into our daily life would be an even greater achievement than the banishment of war. For want of it all our progressive agitations

are nerveless and timid. We have reacted so far against the eighteenth century conviction that man is a reasonable animal, that we have almost ceased to hope anything from fundamental argument. The main thesis of "The Great Illusion" is already so well known and so widely accepted, that we need not pause here to demonstrate it. From a national standpoint war is a mistake and conquest an illusion. A nation does not own its colonies, and by taking provinces from a rival it would acquire nothing for itself. Conquest indeed in this barbaric sense of the word is obsolete, and belongs to the agricultural stage of civilisation. If a civilised State annexes a fully occupied country inhabited by another civilised race, it will neither expropriate land nor lay hands on any of its realised or potential wealth. The conquerors will be no richer, and the conquered no poorer for the change. Where then is the gain of conquest? It is also manifestly true that a war between two elaborately organised industrial States like Britain and Germany would so shake the whole fabric of credit in both, that the conqueror, for all his triumphs, might emerge from the struggle weakened and impoverished. Once more war is unreason. The gain is an illusion; the losses are a certainty. It ought to follow, if this reasoning is sound, that armaments are useless and will be abolished when nations have grasped the fact that war is an anachronism, indeed, well-nigh an impossibility in a society based on a respect for private property, and accustomed to conduct its business by a system of cosmopolitan credit.

This summary does some injustice by reason of its

brevity and simplicity to Mr. Norman Angell's doctrine, but it is too well known to need a full re-statement. Its main positions are unassailable. It is a sound logical fabric, and the world will be a more habitable planet when it is generally accepted. One may, however, subscribe to its general truth, and yet feel that it fails in some vital particulars to grasp the whole subtlety of the dry warfare, the armed peace of modern Europe. At the risk of seeming to trifle with a paradox, one may sum up a criticism of this doctrine in a sentence. The purpose of armaments is not war, and all that can be said of the folly of war is a sermon that fails to hit our modern sin. If the view taken in the preceding chapters of the meaning of the struggle for the balance of power is even partially and approximately true, then this pacifist argument against armaments is an elaborate missing of our opponents' point. Let us admit at once that war is a folly from the standpoint of national self-interest; it may none the less be perfectly rational from the standpoint of a small but powerful governing class. Further, if war is a folly, it does not follow that the typical forms of modern expansion, which are commonly achieved with the aid of armaments but without war, are follies from this same capitalist standpoint. We share with Mr. Norman Angell the belief that war between European Powers for the possession of European soil or of old-established colonies has become an anachronism, and is unlikely to occur. The reason is perfectly obvious. Between two States which are approximately on the same level of industrial development, conquest promises no gain,

even to the financier. If the Germans could annex Lancashire they would alter nothing in its economic life. It is self-subsisting. It has capital enough for its own needs, and more than enough. It is, so to speak, saturated with capital, and could absorb no more from German stores. It is being as fully "exploited" (to use a convenient if controversial word) as it possibly can be by its own native capitalists. The same thing is true of the Rhineland, and what is true of Lancashire and the Rhineland is true in some degree of all civilised countries, including not only our "white" colonies, but our older tropical possessions. They are not the "places in the sun" to which the modern Imperialist turns his gaze. He seeks new countries to "exploit," promising regions with virgin mines, untilled fields, cities without banks, routes without rails. These are the opportunities he covets. He is pleased to have them without conquest, and he does not desire war. His ideal is to fence them in as an economic sphere of interest, within which he may dump his capital as a national monopoly.

This is the process which we must visualise if we would understand the survival of armaments, and it is a process of which Mr. Norman Angell's doctrine takes too little account. We are all accustomed to repeat the axiom that capital is cosmopolitan. So, indeed, in many senses it is. But it is also national in its workings; the flag, as Mr. Cecil Rhodes used to say, is an asset. Explain the connection as one may, it is the fact that the capital invested in any new country which has come into the possession of a given Power, or has been recognised as its

sphere of influence, tends to belong to subjects of that power. An English company will not receive a concession to build a railway in a German colony, nor in spite of our devotion to the maxims of Free Trade and to the principle of the open door, does one find German railways in British colonies. A curious phrase was employed in the Anglo-Russian convention relating to the recognition of separate spheres in Persia. It was stipulated that neither Power should seek "political concessions" in the sphere of the other, and the term was defined by enumeration to include railways, telegraphs, roads, harbours, and the like. Such public works as these, if they are in private hands, will usually, for reasons of policy, belong to subjects of the dominant Power. The great engineering works in Egypt were executed before our occupation by French contractors and engineers. They have now become an enormously valuable opportunity for British firms. Capital moves with the flag—sometimes before it and sometimes after it. The Balkan conquests supplied an interesting illustration. One of the first acts of the Servian Government in the portion of Macedonia which it had annexed, was to expropriate the privately-owned railway, which belonged chiefly to Austrian subjects. This order of facts has been passed over too lightly by Mr. Norman Angell in his controversy with the brilliant German Socialist writer Kautsky. To adopt Kautsky's illustration, it is surely impossible to deny that the German governing and financial class (if not the German nation) would derive considerable profit from the conquest, let us say, of India. The actual invest-

ments of British capitalists would, of course, be respected. But the privately-owned railways would tend to pass by purchase into German hands. German banks, assured of official patronage, would compete on favoured terms with the existing British banks, and would soon control the credit system of India. The profits of all the new loans required for public works and military works would fall to German financiers, and the immense gains from contracting would go exclusively to Germans. To Germans also would fall the large sum that now flows in pensions and salaries to England. To recognise this fact is not to question the central doctrine of *The Great Illusion*, that conquest does not benefit a nation. But the small class which in every country maintains Imperialism is not deficient in intelligence, and there is no fallacy in its egoistic calculations. But let us add, however, that this class would readily find adventures more attractive and more profitable than the conquest of India. It would prefer an untilled and unappropriated field, like Turkey and China, not merely because it may with luck be had without fighting, but even more because the capitalists of the favoured Power could operate there without competition. It would be "bad business" to attempt to conquer a thoroughly capitalised European country, and for the same reason it would be relatively foolish business to attempt to take for choice an old and established dependency like Egypt or India.

It follows that we must seek the reason for the survival of armaments in some cause more rational and more permanent than the prevalence of falla-

cious thinking and the persistence of barbaric sentiments. If the world at large has failed to embrace the cogent logic of Mr. Norman Angell's doctrine, the explanation is that powerful private interests have their motives for resisting it. Armaments are not necessarily required for war at all. They serve a purpose first of all in giving prestige to the diplomacy of the Great Power which is seeking from an undeveloped State concessions for its subjects. They are valuable in the second place when rival Powers are competing for some sphere of influence. The "balance of power" is a balance of armaments, and modern States appear to desire a balance favourable to themselves, primarily because it will assure them freedom of movement in the competition to secure "places in the sun." When the Triple Entente is dominant, it takes Morocco and divides Persia. When the Triple Alliance recovers its lead, it takes Tripoli, assures its hold in Bosnia, and makes progress in the economic penetration of Asiatic Turkey. The oscillations of the balance are registered moreover in the gains or losses of each group in the open competition for economic opportunities in China. These summary sentences convey, perhaps, a provokingly simple account of a process which is in reality extremely complex. Certainly when our representatives in China try to obtain a concession for a British syndicate, they do not threaten Chinese statesmen with the instant bombardment of a Chinese port. Diplomacy is neither so brutal nor so predatory as that. But Chinese statesmen in dealing with us must none the less remember that we have sometimes bombarded their

ports and sacked their palaces. They must calculate that if they annoy us beyond a certain point, they must reckon in some one of the future crises which are sure to confront them with our hostility, and if they satisfy us, they may count in some measure on our support. Our hostility is dangerous, and our support valuable in the last resort, because we are a great naval Power. So, too, in our dealings with Germany over the Bagdad Railway or our "sphere of influence" in the Yangtse Valley, it is true that we are unlikely to go to war for either of these objects. But continual friction is risky because on the appropriate occasion we have the ability to assert ourselves in a manner disagreeable to Germany —in the midst of her Moroccan negotiations with France for example. For years in succession Powers may bicker over their economic interests without moving a cruiser or uttering a threat, but their bickerings are affected and even governed by the knowledge that sooner or later, on one issue or another, decks may be cleared and armies mobilised. It is characteristic of our civilisation to disguise the connection of diplomacy with armaments on the one hand and finance on the other under an elaborate code of courtesies and hypocrisies. Pacifists risk the misdirection of their movement if they allow themselves to be deceived by it. The possession of armaments influences all the dealings of nations, and more especially it influences their rivalries to secure financial advantage in countries unable to protect themselves. When British and German bankers and contractors compete in Peking, they do not meet as rivals of the same nation meet at

home. There is a clash of armour-plate when they jostle. The problem of pacificism has not been faced as a whole so long as it confines its argument to a demonstration of the folly of war. Few modern Europeans want war, and of those few, fewer still have the sinister strength to declare it, when the moment of decision arrives. But large and powerful strata of European society desire armaments and the bloodless warfare of the contemporary struggle for a "balance." They desire armaments, because armaments have become indispensable for the pursuit under actual conditions of the gains of economic "penetration." Our problem is much larger than the abolition of war or the reduction of armaments. If all the Great Powers were to resolve to-morrow by a sudden inspiration of good sense to reduce their armaments by half, that would not free us from the moral consequences of the elusive conflict to adjust the balance of prestige and force. On the lower scale these reduced armaments would still be used to exert pressure on undeveloped States, and to win monopolies for the financiers of the dominant Power or Group. The taxpayers' burdens would indeed be lightened, but the shadow of a financially-minded diplomacy would still darken the liberties of struggling nations, and on bourses and in Foreign Offices those who profit by expansion would still assess the relative power of these halved navies and diminished armies.

The problem for men who have reached a humane vision of international relations is to bring about some organic change in the machinery which governs the action of the Powers abroad. It is a

problem with two aspects. We must first consider how the will of a democracy can be brought to bear upon the processes of diplomacy, how the small governing class which everywhere promotes its own economic ends and imposes them on public opinion as national interests, can be combated and dispossessed. We must devise a mechanism by which public opinion, as it becomes enlightened, may check and guide the working of diplomacy. The second half of the problem is even more complicated. We must consider whether the restless export to undeveloped countries of capital accumulated at home can in any degree be regulated, and in what measure and by what means it can be controlled. Is it possible or desirable to divorce diplomacy from finance, or by any expedient to denationalise exported capital so that its dangers, ambitions and rivalries shall no longer engage the action and imperil the relations of the nations whose ruling classes own it? Finally, is it possible to conceive an organisation of Europe by which some process less risky, less wasteful and more civilised shall supersede the struggle for a balance of power?

Before we attempt to answer these questions in detail, there are two developments of the modern opposition to war and armaments which deserve consideration. With the "anti-militarism" of Continental Socialism we will deal in the next chapter. It is an elaborate doctrine with a completed theory and a carefully thought out strategy, and it demands full consideration. Slighter and simpler but none the less interesting is a phase of

opposition which is to be found in the writings of some Christian thinkers. A man of clear insight and unflinching logic might urge, as Tolstoy did, and as a few English writers, notably Dr. Horton and the late Dr. MacKinnel, have done, an ideal of mere retirement from the armed rivalries of Europe. The prophetic vision of a "martyr nation" has long haunted the imagination of the Society of Friends. Let some one people set the brave example of total disarmament, beat its cannon into ploughshares and turn its ironclads into floating sanatoria, and await, unprepared and unresisting, the effect of its splendid example. It is an alluring suggestion, and on one condition it would probably not involve any considerable risk. If we attempted to retain our colonies and dependencies, while we disarmed at home, we should at once be dismembered and overrun by stronger Powers. The millionaire who left his door ajar would certainly be robbed. The cottager may sleep secure by the high road without locks and bars. If we chose to be simply an unarmed and unaggressive island on the confines of Europe, we should have nothing to fear. We should be as safe as are Switzerland, Holland and Belgium. They owe their immunity from invasion not to their small and doubtfully efficient armies, but to the conscience of Europe and the rivalries of military Powers, any one of which could crush them without an effort. If we became an island Switzerland, we should not be a "martyr nation." We should, however, be a parasitic nation. For we should owe our safety to the fact that the armaments of France and Russia neutralised the armaments

of Central Europe. We should indeed have retired from the competition, but we should continue to profit by it. Safe ourselves, we should none the less have ceased to play a part, or to exert an influence in the general progress of the civilised world. We could not intervene to check even the grossest inhumanity, and such an accident as the rise of some conquering Napoleonic despotism might end our experiment and with it the hope of any European advance towards an assured and permanent peace. To devote ourselves to the preaching of such an ideal as this is, moreover, to sacrifice the present to a remote and perhaps impossible future. This ideal could triumph in our country only if it become sincerely Christian or completely Socialist. Before the coming of that Utopia whole races might have been sacrificed, and civilisation itself destroyed by the unchecked working of capitalistic forces.

It is a much harder and a much more complicated problem which confronts those who aspire to a permanent peace. We are citizens as well as idealists; we have our share in the responsibility for all that our rulers do in Egypt or in India. We have a duty not merely to posterity, but to the men who are being drilled for slaughter to-day with the money which we as taxpayers provide. While we state and defend our distant ideal, we must also find some strategy which will even now check the worst consequences of a capitalistic foreign policy, and, if possible, turn it to some partial good. The thinking of Socialist idealists has imposed a constructive policy of domestic reform upon the present generation of Liberals. The same task must be faced in

the less familiar field of foreign policy. Nor can the two fields be isolated. Imperialism, with its spendthrift and wasteful expenditure, its positive encouragement to the rapid accumulation of capital for investment abroad, and the distractions which it invents to divert the attention of the masses from their more intimate preoccupations at home, is to-day a more formidable enemy to social reconstruction than the nearly obsolete individualism of the Manchester School. Our first task will be to win the bare possibility of influencing the foreign policy of the governing class. Our first battle must be to secure the effective control of the democracy over the external policy of its rulers.

CHAPTER VI

SOCIALISM AND ANTI-MILITARISM

We have spent time enough in analysing the obscure causes, hidden in counting-houses and embassies, that go to the making of wars. We have found little of the old joyous patriotism and chivalry among them. Can we discover in the modern world an idealism which will stir masses of men among the forces that combat war? The Anti-Militarism of the Socialist parties on the Continent is based on a faith as great and precarious as Mr. Norman Angell's pacifism. He is convinced that mankind is guided by reason. The Socialist is sure that humanity survives under a uniform. On that belief he has based a strategy which shall abolish war between modern peoples. It is a great hope. Let us start from experience in our examination of it, and read its proposals in relation to the peculiar psychology of war.

In what temper does the soldier achieve the miracle of disciplined murder? When I attempt to answer that question, my memory goes back to a battlefield in Thessaly. It was the last engagement in that futile Græco-Turkish war of 1897. In the centre at Domokos the Greek army was preparing to retreat. But of that we in the legion of foreign

volunteers knew nothing. On the far left we had more than held our own, though with heavy losses. We had kept our positions, and in our little corner of the field had checked the Turkish advance.

Suddenly our Italian comrades, with a Garibaldi at their head, swing into view, marching at the double round a hill on the plain below us. They ran rather than walked, upright in full view of the enemy's marksmen, disdaining cover, and challenging death in the conspicuous red shirts which carried on Greek soil the great tradition of Italy's wars of liberation. It was one of the bravest sights which life has to offer, the sight of men, commonplace perhaps and timid in quiet moments, rising in an hour of exaltation to a joyous and defiant heroism. We ran down from our positions to reinforce them. A few scattered volleys, a few rushes, and the line of red fezes, which was for us the Turkish army, had wavered and retreated. We sheathed our bayonets, shook the hands of comrades, and slowly returned to our own lines. After the shame and disillusion of this disastrous war, this first success filled us with elation. We were pleased with ourselves, not over-anxious about our wounded comrades, and ready to reckon the joy of battle as the crown of life. It was in this mood that I stumbled across a thing in the grass. It was a dead Turk, prone on his back, his rifle still held in his clenched hand. A clean bullet wound in the temples showed how sudden the end must have been. I am ashamed to think that my first thought was one of satisfaction. The dead man lay in the line of fire of our company. One of us must have sent that bullet. And then I looked

at his face. He was an oldish man, and his scanty hair was almost grey. He wore the uniform of the last class of the reserve, called up only in grave emergencies. It was a simple peasant face, round, and good-natured, clean and healthy. He was short and rather slight, and the hand which held the rifle seemed childishly small. The dead face smiled up from the ground, and the simple gentleness of this old man, so little formidable, so clearly a stranger to the lusts and passions which we on the "Christian" side liked to associate with the name of Turk, made its direct appeal to the normal human instincts which war can silence only in the rushing hours of animal excitement. It flashed upon me that this was the first Turk whom I had yet seen near enough to touch—save indeed a miserable spy whom some soldiers hanged head downwards from a tree over a fire of straw until the officers rescued him. And I thought I could tell what manner of man it was that we had killed—a kindly old farmer, who had lived his quiet life up to this war among his children and his neighbours, pruning his fruit trees and gathering his harvests, good to man and beast, and totally ignorant of the eddies of world politics which had caught him in their whirl. A fellow-volunteer came up at that moment and began roughly to rifle the corpse in quest of trophies. He even proposed to scalp the old man—that was, he said, what was usually done during the native wars in Rhodesia, where he had served before. I found myself defending from outrage the enemy whom an hour before I was trying to kill. In the misery of the retreat which followed our transient victory I under-

stood what this experience meant. I had not known that I was firing at simple peasants. I had been firing at "the enemy," "the Turks," "the Sultan's brutal soldiery," "the forces of Oriental barbarism," and other names, phrases and abstractions. I had seen only a line of red caps which made in the distance a serviceable target.

As we neared our own lines we overtook our wounded. An Italian, whom I helped to limp along, told me that another volunteer had just robbed him of his blanket. I took him, calling loudly for water, into the barn which served as a field hospital. When I had found water, a sentry at the door roughly forbade me to enter—it was the order of his superior officer. I remember still the anger with which I pushed past him, and then the sudden horror of the great room filled with moaning men, some dying, some only frightened by pain, some waiting patiently to lose a leg or an arm. There was more to think of on the retreat. I understood at length that that military discipline which I had been proud to obey myself, and to impose on others, was the necessary condition of this criminal stupidity called war. Men can be got to shoot at other men with whom they have no quarrel, only because they have first been taught to lay aside their own personality, their own judgment, their free choice between good and evil. They become automata which shoot at other automata as little conscious of what they do as the rifles in their hands. And that brave scene of the charging Garibaldians, I knew now that it had no more to do with ideals or heroisms than a rush of horned cattle or a stam-

pede of wild horses. It is the physical impetus which makes a fine charge, and not the idea behind it. Men will show the same forgetfulness of self and the same disregard of others in a sham charge on a field day at Aldershot. English cavalry regiments have been known to ride into one another with all the fury of battle, and to continue their rush in spite of broken limbs and injured horses. "It was a good thing that we had not our sabres out," said a trooper on the casualty list to a newspaper correspondent after a recent incident of this kind on manœuvres. Prince Kropotkin tells in his memoirs of a famous charge of a Russian cadet battalion at manœuvres. They bore down on the Tsar himself, and would have trampled him to death if he had not avoided them at the last moment. A uniform will serve as well as an idea to inspire soldiers with solidarity, and the animal exhilaration of swift movement will produce all the phenomena of heroism. I saw now to what vestial degradation war had reduced these same Garibaldians. One would steal a blanket from a wounded comrade; another would threaten to stick his bayonet into me because I was bringing water to a wounded comrade against the orders of some worried or stupid officer. War is the suspense and annihilation of the individual conscience. It blots out for the soldier the humanity of the men whom he opposes, and blurs them together in one unrealised and unimagined horde which he calls the enemy. It destroys, while it does this, the duties and the sympathies which bind man to man. The whole process meanwhile is rendered respectable by a veneer of illusions. In adopting

the attitude of passive obedience the soldier convinces himself that he is submitting to a patriotic obligation. He throws the responsibility of what he does upon his officers. They in turn obey the statesmen, and the statesmen themselves are as little able to judge of what they do, because they also are never in contact with the visible fact of war, and the human reality of their enemies. War is vicarious crime. The statesman does through the soldier what he would not do in his own person. The soldier does at the bidding of the statesman what he would shrink from doing if the whole decision lay with himself.

I had to learn after this war that the diplomacy which provoked it had in all probability no aim more serious than to save the throne of the King of Greece. I had also to learn, through meeting them in time of peace, that the Turkish officers against whom I fought, so far from being, as I had supposed, the willing tools of the late Sultan's despotism, were even then beginning to organise for revolution. The process of disillusionment left me doubting whether there ever was in history a just and necessary war of aggression. Certain it is that in any war which we can conceive in Europe, two armies mainly composed of working-men would face each other in the service of some capitalist intrigue, and in the defence of interests whose chief concern is their exploitation. These men lead in all modern countries the same life. The essential question for them is what percentage of their harvest will be left to them after the landlord has levied his rent, what food will cost them after the manipulators of the tariff have taken their

toll, or what proportion the wages bill of their factory will bear to the total profit. Yet, thanks to the mystifications of a false patriotism, to the influence of a benumbing discipline and a drill expressly designed to turn men into machines, they may, in ignorance or fear, proceed to slay each other in order to decide whether it shall be French or German financiers who shall export the surplus capital (saved from their own wages bill) destined to subdue and exploit the peasants of Morocco.

Such reflections as these are made by thoughtful men before, and by experienced men after every war. They have been the common property of Radical and Socialist thinkers since the days of the French Revolution. One may find them, limpid and forcible, in the pages of Thomas Paine, who himself had fought in America against King George's redcoats. They are familiar to-day to millions of working-men throughout Europe, the men who will form the conscript armies of the next great war—if, indeed, another great war is possible in Europe. To popularise them, to make them among the workers as familiar, as axiomatic, as much a part of their class-morality as the ideas which inspire them with loyalty to their Trade Unions—that is among the first duties of Continental Socialism. Can it carry this task further? It is something to detach the workers from the crowds which shout for war. Can they be induced to refuse to carry a rifle in an unjust cause?

The idea of a fundamental opposition to all war is no new thing in the history of civilisation. It has usually taken root among men whose outlook on

life was ethical and individualistic. The Quakers in Australia and the Doukhobors in Russia have refused under any circumstances to serve in armies, because their consciences were bound by the law of Christ. The teaching of Tolstoy has placed this position on a reasonable and undogmatic basis, which makes a powerful appeal even to minds which cannot embrace the doctrine of non-resistance to evil. A man's readiness to adopt that doctrine depends ultimately on the degree in which he is concerned for his own personal righteousness. If one's ruling passion is to deserve the approval of one's own conscience, one may find it possible to stand inactive while a child is maltreated or a horse beaten before one's eyes. If, on the other hand, a man's chief concern is to check suffering, if he thinks rather of the pain of the child and the horse than of himself, then at the risk of any loss of personal saintliness he will, if remonstrance fails, resist evil by using his fists. The right of rebellion in extreme cases and of resistance to aggressive wars rests on the same basis. Tolstoy could never have made a mass movement against war. The pacifist movement is weak for other reasons. Men and women divided on other issues, and acting in concert only to hold meetings and listen to lectures against war, will rarely be formidable to any government. Governments have more to fear from a party which is united on all issues and votes when it has talked. Tolstoy and the pacifists created a favourable intellectual atmosphere. It remained for Socialism to create the party of peace.

Two contemporary reasons combined to make the

French the leaders in this practical anti-militarism. The revelations which attended the Dreyfus case aroused a profound uneasiness in all democratic minds. For some years under a clique of officers, secretly Royalist, openly clericalist, the army had become the tool of a well-organised reaction. Anatole France has satirised the situation in his inimitable *Ile des Pingouins*. For the moment the danger was averted, but it lurks in some degree in all professional military castes, and even under conscription the officers must be professionals. In the second place the French Radicals, and more especially M. Clemenceau, had made a ruthless use of the army to repress strikes, which properly roused the fury of the working-class. These two contemporary conditions combined to aid the work of Gustave Hervé. No "extremist" has been more persistently maligned. Those who know him describe him as a personality of great charm. His published speeches, despite some regrettable crudities and violences of language, are powerful compositions, closely reasoned and admirably phrased. His courage has been tested by numerous prosecutions and imprisonments. His position, stripped of subtleties—and in controversy he can be extremely subtle—has a simplicity which appeals to men of every grade of intelligence.

Patriotism, in Hervé's view, is an illusion sedulously cultivated by the capitalist class in order that it may the more easily enslave the workers, and shear the sheep without their even perceiving that they are being shorn. It unites in one community the exploiters and the exploited, until they

begin to believe that they have some interests in common. It is a conservative emotion, which brings the classes together, and helps to keep them tranquilly one under the other within the bosom of the same country. It is an intelligible sentiment only for the class for whom the motherland is a milch-cow. For the workers she is rather a step-mother. The motto of Socialism must be, "Workers of all countries, unite across your frontiers." The motto of Patriotism is, "If your country commands it, workers of all countries, massacre one another." To be sure, nationality is a fact. But it is not an eternal or necessary fact. Nations came into being by a slow historic progress. They may be dissolved or amalgated by a contrary process. There is nothing sacred in the chance of war which has made most modern nations. For the worker there is nothing to choose between them. Go from one country to another, and you will find everywhere the same prisons, the same barracks, the same police, the same brothels, the same Ministers of the Interior. Cross what frontier you please, and you are still only a living tool, which is worth only its current price in the labour market. If one is to be exploited one might as well be exploited by a foreign as by a native capitalist. It follows, then, that the workers can have no interest in the issue of any war, even when his own country wages it. His country is not in fact his own. Let him then refuse to risk one square-inch of his own skin in any war, and keep his courage for the revolution. When war breaks out he will neither ask who is in the right and who in the wrong, nor fly to the aid of his

country under the spur of patriotism. In any event, since diplomacy is secret and the press mendacious, he never can judge which of two warring nations is the aggressor. The proper strategy to follow on declaration of war is to desert the flag, to proclaim a general strike, to follow that up by insurrection, and in the confusion to carry out a social revolution. In no circumstances ought any Socialist conscript to assist any capitalist government, even in a purely defensive war.

A thinker who defends so extreme a thesis as this performs a great service. He forces us all to think, to go back upon our premises, to make it clear to ourselves why our judgment revolts against his conclusions. There is a valuable half-truth in every one of Hervé's vehement statements. But in the first place it is untrue to say that the worker has no share in the heritage of nationality. Its ideal riches even now are open to him. His language is a mother-tongue. The treasures of literature enshrined in that language are open to him. He feels a thrill in the knowledge of his history, its heroisms, its revolutions, its struggles towards liberty. He imbibes whatever is distinctive and original in the national spirit. It is true that the man of leisure and wealth shares more fully in all these benefits. But the worker commits a folly who despises and scorns them. Instead of vilifying his motherland, he should determine to possess her. It is, if possible, still more false to make light of the evils of conquest and foreign domination. An alien exploiter is, in spite of Hervé, incomparably worse than a native. Every difference of race, language or religion aggra-

vates the miseries which a subject people has to suffer from its ruling class. An Irishman, a Pole or an Armenian would never have fallen into this flagrant error. Indeed, as Bebel (thinking mainly of the Poles) and Bernard Shaw (thinking mainly of the Irish) have said, each in his own way, the chief mischief of racial domination is that under it the proletariat is so obsessed by its national wrongs that it has no leisure to think of its economic subjection. It is so busy fighting for its autonomy, its language or its Church, that it has no ears for social questions. Nationality is not in itself an evil. On the contrary it is only by the collaboration of many nations, each with its own temperament, its own history, its own language, that civilisation can hope to attain its full development through diversity. The right of every nationality to defend its liberty and its identity against conquest, is a right which Socialism has always been the first to respect, and will be the last to abandon. The general adoption of Hervé's theories by the more advanced nations would be merely an invitation to the less advanced to conquer and enslave them. If his doctrine were Socialism, this inevitable consequence would follow —that the country which had the most Socialists would be the first to be devoured and exploited by its neighbours.

Hervé luckily has been followed only by a small though very active minority of French Socialists. The real importance of his campaign is that it has induced Jaurès, supported by the majority, to define a policy of anti-militarism, which is at once better in theory and sounder in statesmanship.

Jaurès starts from two premises; that nations have the right and duty to maintain their independence, and that the opposition of labour to war must be something more effective than an academic or sentimental abhorrence. It must be a will to prevent wars by acts. It is obvious that the most effective way in which a proletariat united across frontiers can prevent war is not to stand aloof from all wars, but to use its joint forces to check aggression and assist defence. If, let us say, Germany were to meditate a wanton attack on France, the best way to deter her is to announce in advance that by common accord, and in full agreement, German Socialists will impede the attacking force within its ranks and in its rear, while French Socialists will aid the defending force with all their ardour and courage. Could this be realised, the German attack would certainly fail, and were it anticipated, no sane Government in Germany would dare to take the risk of aggression. Were this formula generally adopted, could the whole force of labour in civilised States be used for the defence and against the aggressor, it is certain that war, in Europe at least, would have become unthinkable. If Hervé objects that it is difficult to determine who is the aggressor in a war between two capitalist States, Jaurès has a ready answer. The aggressor in any international dispute is the Power which refuses to submit its case to some form of impartial arbitration. One may doubt the sincerity of some of the Powers which have played at arbitration at Hague Conferences. But the clever policy for the workers is to take the diplomatists at their word. Labour, drilled, conscripted, regimented,

has the power to enforce a real respect for arbitration, by giving its numbers and its courage as a premium to that side in a quarrel which will appeal to reason. The duty of a Socialist party in a country which meditates an aggressive war is to resist the Government by "every means in its power, from parliamentary action and public agitation, up to the general strike and insurrection."

The French Socialists carried this doctrine, concentrated in resolutions passed at Limoges and Nancy in 1906 and 1907, to the International Conference held at Stuttgart (1907). The debates both in committee and in the full conference were of unusual interest. In the end the following resolution (with a long preamble), framed by Vandervelde on the basis of a draft by Jaurès was unanimously carried :—

> If war threatens to break out, it is the duty of the working class in the countries concerned and of their Parliamentary representatives, with the help of the International Bureau as the means of co-ordinating their action, to use every effort to prevent the war by all the means which seem to them the most appropriate, having regard to the sharpness of the class-war and to the general political situation.
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> Should war none the less break out, their duty is to intervene to bring it promptly to an end, and with all their energies to use the economic and political crisis created by the war to rouse the populace from its slumbers, and to hasten the fall of capitalist domination.

In its practical effect this resolution hardly differs from the French proposition. It is to be noted, however, that it does not specify the means by which war may be prevented. All practicable means are to be adopted, and in paraphrasing the resolution some of the German orators expressly added the

words " without excluding any." Among the precedents held up for imitation is the action of the Swedish Socialist party, which threatened to declare a general strike if Sweden should make war on Norway. The Germans very frankly explained that they could not publicly pledge themselves in advance to action so extreme as the general strike in case of war, without at once exposing themselves as a party to wholesale repression. When the crisis arrived, they would know how to act. The discussion between the French and German leaders revealed some interesting points of theory. Germans were not prepared to say in advance that it would always be the duty of a proletariat to assist its Government if it were attacked. Kautsky, a very acute thinker, remarked for example, that it certainly was not the duty of Russian Socialists to defend the Tsar's Government in the late war, though technically Japan was the aggressor. He also denied that in any war over Morocco it would be the duty of German Socialists to defend Germany, even if she were attacked. Bebel went so far as to say in the heat of the debate that if Germany attacked Russia he for one would be the first to shoulder a rifle, because the event of such a war would be to liberate the working classes in Russia and to weaken the reaction even in Germany itself—a most hazardous calculation. These interesting debates on nice points of theory led to wonderful misunderstandings in the capitalist press. The French papers held up the German Socialists as a model of patriotism to the French. The Prussian official gazette on the other hand announced " that the German Socialists are

the least patriotic in the universe." The plain truth is, of course, that the whole congress unanimously rejected "patriotism" in the conventional sense of that word. No Socialist party will say, "My country, right or wrong." No Socialist party will allow its duty in case of war to be prescribed for it by a ruling class. The French leaders will enquire which side is the aggressor, and will unhesitatingly oppose it, even if it is their own country. The German leaders put the criterion somewhat differently. They will be guided, not by national interests, but by the interests of labour the world over. Some difference in theory there is. There can be none in action. For French and Germans are equally resolved to be guided in any definite case by the decision of the whole Socialist world, to act in concert, and to act through the International Bureau. That is the real significance of the Stuttgart decision.

In practice the growth of this conscious anti-militarism within the Socialist movement has introduced a new factor of enormous importance into European politics. Henceforward every European Government which meditates war has to reckon with the certainty that it will be opposed, certainly morally, and perhaps physically, by a powerful and organised party at home. It may even have to pay at the polls for its adventure. What happened in Bulgaria after the avoidable second war against Servia and Greece is a warning to all Governments which meditate aggression. The party of MM. Daneff and Gueshoff, whose arrogant diplomacy made that disastrous war, possessed an overwhelming majority in the Chamber when they began it. In

the general election which followed the war, their party was annihilated, and secured only six seats in a total of over two hundred. Even more significant is the fact that the Socialist and Peasant Parties between them, feeble before the war, secured nearly a third of the representation after it. But far more serious than the risk of disaster at the polls, is the danger that Socialist opposition within an army may sap the spirit which alone wins victories. General Kuropatkin, in his able report on the causes of the defeat of the armies which he led in Manchuria, emphasised among them the indifference and hostility of the Russian soldiery. They had already begun to hate the autocracy and to desire revolution; they were totally indifferent to the Imperialist ambitions which made the war. The same moral factor goes far to explain the defeat of Bulgaria in the second of the Balkan wars. Her armies entered on the first war with spirit and enthusiasm. It was a war of liberation, undertaken on behalf of the oppressed peasant of Macedonia, and every Bulgarian soldier knew from the tales of his elders or from his own experience the misery and degradation of the Turkish yoke which he fought to overthrow. The first war was protracted by the grasping diplomacy of the Bulgarian Government. The spirit of the men flagged under inaction, privation, and disease. They had liberated Macedonia, and cared nothing for the further objects which kept them in the field. As the time of harvest approached, no discipline could avail to keep them with the colours. They deserted during the long months of inaction in such numbers that General Savoff abandoned all attempts

to coerce them, and when a man disappeared he was written down in the lists as "on leave." The second war against Bulgaria's allies stirred no such enthusiasm as the first, and when it opened the strength of her armies was diminished by the 80,000 men who had indulged in this tolerated desertion.

This experience conveys a moral of importance. It means in the first place that even without deliberate Socialist propaganda, the moral factor must be reckoned with in modern wars. A conscript army is not a mere machine which can be set in motion against an enemy with equal prospect of success, whatever the cause of the war may be. The ardour and endurance of the men will have some relation to their opinions about the justice and necessity of the war. In the second place it means that there are limits to the sacrifices which a conscript army will willingly make. It cannot be kept in the field indefinitely without losing something of its spirit, even in a war which it approved at the start. This means that there is on moral grounds a time-limit to a modern war, even if the finances of the belligerent Power are equal to its prolongation. A modern war is necessarily brief, and this means that permanent conquest has become nearly impossible. The conqueror, after his first successes in the early months of the war, will find it increasingly difficult to prolong the campaign. He will be less able than he was in the days of small professional armies to meet a determined enemy defending his home-territory by guerilla tactics. One may doubt, for example, whether any conscript army could have done what our professional army did during the

three tedious years of the South African War. The action of Roumania is another object-lesson, which would probably be repeated in any modern European war. When the conqueror is exhausted by costly successes, a neutral Power, a *tertius gaudens*, is almost certain to intervene to limit the struggle and rob him of the fruit of his victories. A generous mind revolts against the meanness of this predatory policy, but, undoubtedly, it handicaps the conqueror, diminishes the gains of conquest, and thereby strengthens the motives which may induce even a strong State to refrain from making war. Nor was it only in the Balkans that this Balkan crisis illustrated the extent to which a military Power must take the sentiments of its conscript soldiers into account. Austria mobilised a part of her army when the crisis began, in order to check any attempt at intervention on the part of Russia. She abstained, however, as far as possible, from calling reservists of the Slav races to the colours, because she knew that their sympathies would be with her Russian adversary.

The experiences of Bulgaria are full of encouragement to those who hope that the opinions and interests of conscript armies, consisting as they do largely of reservists summoned from their homes and their fields, may in the future deter aggressive Governments from aggressive and unnecessary wars. The Bulgarian soldier is by temperament singularly patient and enduring, he submits readily to discipline, he is patriotic as the soldier of older nations rarely is, and he has only just begun to feel the influence of Socialistic thought. If he grew "stale" as the

campaign dragged on, a French or German army would reach the same condition much earlier. When once a spirit of reluctance and criticism invades an army, it becomes incapable of meeting even an inferior enemy inspired by a belief in the justice of his cause. Commands are obeyed stupidly and slowly. There is an end of self-sacrifice, of promptitude, of spontaneous intelligence. Regiments will not do their best in forced marches, nor stand firm under a murderous fire. The consequences may be even worse than this. It would take some heroism to desert or revolt, or make a general strike. But any average man can do less than his best in handling the big guns or aiming his rifle. It is doubtful whether the indifference of an army which disapproved of the war in which it was engaged would ever be shown fully in the first excitement of a battle. When once a soldier is under fire his instincts bid him fight in self-defence. It is a good deal safer to be on the victorious side than to be engaged in a disastrous retreat. But, undoubtedly, this spirit of opposition would check the ardour of an attack, and put a limit to the endurance which men will display under difficulties. It would be shown most easily of all during the mobilisation, where everything depends on the promptitude and goodwill of each unit, and men are not yet heated into unreason by contact with the enemy. In a German army in time of war one man in three would be a Socialist voter. Some of these at the best of times are only superficially under the influence of Socialism, and others would be carried away by the excitement of the national crisis. But it is hard to

believe that if in a war of aggression this army were to be hurled against France to-day, German Socialists would show any ardour in shooting down French workmen. The spirit which marched through Sedan to Paris could not be revived in our generation.

How far the general strike could be used with success to prevent the outbreak of war is a more difficult question. The Italian Socialists, ill-organised at the best, and sharply divided when the trial came, made no use of it to stop the adventure in Tripoli. They were taken by surprise, for this war was both secret and sudden in its origin, and it was conducted mainly by the young troops of the active army. European soldiers will never feel the same reluctance to shoot down an uncivilised enemy which one hopes they would feel if they met white troops. It is fairly certain that French Socialists would make an attempt to stop an aggressive war by a resort to the general strike. It would require superb heroism and perfect organisation if it were to succeed. Martial law would at once be proclaimed. The press would be silenced, and the leaders would be arrested and shot. It is unlikely that the mobilisation could be stopped, or that any appreciable proportion of the reservists would refuse obedience. But even a slight delay might embarrass the plan of campaign, and large numbers of men would join the colours in a mood which wins no victory. The question is not, after all, whether a Government could manage, in spite of the hostility of the organised working-class, to stumble somehow into war, and get its armies up to the front. Its aim is something more than that. The question is not

whether an aggressive Government can still contrive to make war, but whether it can reckon on victory. To crush Socialist resistance is one thing; to embody the working-classes in the fighting line embued with the fighting spirit, is a wholly different matter. If any modern Government knew that it had to deal with a powerful Socialist party, courageous, united, well-organised, and firmly opposed to war, a strike would be superfluous. The experiment of a strike against war will never be made under favourable conditions; it will be made only if Socialism is so weak that the Government can safely despise it. In no country with a conscript army in which Socialism deserves to be respected, will a Government dare to-day to make an unnecessary war. It is always a mistake to invent heroic methods, where simple facts will suffice. The simple fact that the working-class hated the idea of war, and the knowledge that it would fight half-heartedly, would in themselves suffice to keep the peace, at all events between nearly equal antagonists. In France and Germany, if not as yet in Austria and Italy, Socialism has already attained this degree of strength. It is even now perhaps the most formidable factor in the preservation of the peace of Europe, and its pressure is none the less real because Governments will never willingly admit that it has influenced them.

The Socialist opposition to war is effective, because under modern conditions on the Continent a war must be the effort of the whole nation. A minority makes its influence felt here even when it is impotent in Parliament. The Socialist deputies in Reichstag

or Chamber may always be voted down, and their resistance has counted for little. But the Socialist soldiers in the army are indispensable to it. It will win no victories while they are an element of active or even passive discontent. In its opposition, on the other hand, to the accumulation of armaments, to colonial expansion, to the armed peace of the Balance of Power, Socialism, even where it is strongest, is as yet unable to prevent middle-class States from "rattling into barbarism," or even greatly to retard the pace. Lord Rosebery in the same speech in which he coined that memorable phrase, invited the masses to rise up and say, "Enough of this folly." The dependence of those who have learning and leisure and wealth on the insight of working-men, with whom it is a rare event to read a book, is one of the oddest ironies of modern civilisation. No Socialist party is strong enough to make this dramatic gesture of disgust effectively, without the aid from middle-class Liberals, which as yet they hesitate to give. The arming, the export of capital, the rivalry to win fields of exploitation, and the consequent division of Europe into two hostile camps, go on in spite of Socialism. It is possible that the long discussion of the rather theatrical revolutionary device of a strike against war did harm by directing attention exclusively to the risk of war, and in diverting it from our modern dry warfare. But if that was a mistake, it is being corrected to-day. The aphorism of Jaurès that the preparation for war is an evil hardly less than war itself, expresses the general trend of Socialist thought not only in France but also in Germany. The

Socialist appeal to a general strike, like the pacifist appeal to reason, falls far short of solving our problem and for the same reason. It leaves untouched that ceaseless play of rivalries, that incessant competition to accumulate force, which devastates even when it lights no torch of war, and divides mankind though it orders no battle.

CHAPTER VII

THE CONTROL OF POLICY

A WRITER who advocates the effective extension of democratic control to foreign affairs must expect to meet a series of familiar objections. Where will you find among the masses of any modern State the knowledge and experience which are required for the conduct of a nation's external policy? How shall the Lancashire weaver or the Durham miner, who know no language but their own, who do not travel and have little leisure to read, judge of the designs of Germany, the ambitions of Russia or the needs of Egypt? They can judge shrewdly enough of an Insurance Act or an Eight Hours Act. These things, complicated though they are, come within the round of their daily experience. They are the persons concerned, and whether they judge ill or well, you cannot refuse them the right to judge without disputing every principle of self-government and freedom. But foreign questions, it will be said, do not touch them so nearly. They lack the means to form a judgment, and in any event their interests are only slightly and remotely affected. The conclusion from this objection, however it is phrased, will be that foreign policy is best managed by some moderate statesman, guided by an expert profes-

sional service, and subject to the promptings, the encouragements and the criticisms of the governing class and the higher world of finance and commerce, which has the experience to judge of these recondite matters, and undoubtedly has a great interest at stake. This is the system under which we live, and probably it reflects fairly enough the general trend of middle-class thinking in England. There is only one context in which Imperialists of either party affect to think that the general body of electors does or should control foreign policy, and that is when they are telling women that they are quite unfit to possess the vote, because they are unfit to judge Imperial issues. In nine cases out of ten the speaker who flatters himself on this male prerogative is as reluctant to trust the mass of men as he is to enfranchise women. The plain fact is that the average man has no more control over foreign policy than the voteless women.

The democratic answer to this objection is simple and direct. We do not desire the rule of the majority because we cherish any illusion about the intelligence or the virtues of the masses. Like average men in all classes, they are content to have their thinking done for them by their leaders and their newspapers. We do not count brains in a modern State; we count interests. The ballot is a rough method of deciding the greatest good of the greatest number. If the greatest number is muddle-headed in perceiving its greatest good, it must learn its lesson by hard experience. The anti-democratic attitude in foreign affairs involves a naked claim that certain interests shall rule. We have analysed these

interests in a previous chapter. At their head are the great bankers and contractors. Their rank and file is composed of the comfortable class which invests abroad, and of those families which see in the services of Empire a career for their sons. We have traced the effect of their pressure in the gradual identification of the investor's interest with the national interest, the promotion of the export of capital as a quasi-official national undertaking, the use of diplomacy to support concession-hunters' claims, the marking off of spheres of interest as the preserve of our financiers, and, finally, as a result of the rivalry which these processes engender, the struggle for a balance of power, and the consequent inflation of armaments. The various links in the chain hang together in a perfect sequence, and manifestly the chain has been formed by a national policy dictated by the interest of the possessing classes. It is not inevitable ; it is not axiomatic, it is not a necessary deduction from the idea of the State. The whole chain would be cut, and the fatal consequences of its last links would fall from us, if one point of policy were decided otherwise. If we could but say that an investor, a contractor, a money-lender, when he trades beyond these islands, trades at his own risk and must ask the mother-country neither for backing to reach success, nor for protection to avoid loss, the whole fatal chain of consequences might be stayed and the impulse checked which has led us into this desolating rivalry with all that it involves of waste and folly and fear. Such questions are not to be decided by pure reason. Ought the contractor and the banker to be backed in

their private ventures abroad? The answer will depend on the nature of the audience to which you address your question. All England would have answered with a No before the days of Palmerston. The Tory Party would have said No while it was still mainly the party of landlords and country gentlemen. Carry your question to the Carlton Club to-day and the answer will certainly be Yes. Take it to the Stock Exchange, and members will be amazed that you should dare to ask such a question at all, and stare at you as though you were a bomb-thrower or an Early Christian. At the National Liberal Club the answer would be doubtful, compromising, and far from unanimous. Carry your question to a Trade Union Congress or a Labour Conference, and the answer will be as unhesitating and as united as it was at Capel Court. But it will be No. Move away from all these crowds, collate their answers, and then enquire whether it really and obviously is a national interest that diplomacy should support finance. It is so, if the nation wills it. But the nation as a whole is never consulted, has never considered the question, is barely aware that such a question exists as a possible subject of debate. Yet it underlies our whole external policy; it is the stocks on which our Dreadnoughts are built. The Lancashire weaver and the Durham miner ought to consider it. It concerns them as closely as the gentlemen in the Carlton Club. It would indeed reduce the total income of the club by a heavy ratio if it were answered otherwise. But at the same time it would release a portion of the national income sufficient to transform the

Insurance Act, and to remove the defects of which the weaver and the miner complain. The voteless woman from this standpoint is no less directly affected. For a real judgment of national interests we must go to the nation at large. While we evade this judgment we are allowing a single class, deeply interested in the issue, to conduct our national affairs unchecked. It conducts them, as all history would teach us to expect, for its own profit. The real problem of the balance of power is the problem of the adjustment of the interests of the few and the many which co-exist within each national State. Let us not be deterred by the ignorance of the masses or the complication of the problem. Democracy has its invention to meet that difficulty. The system of representative government exists to solve it. The mischief in our case is that our representatives have all but ceased to concern themselves with foreign affairs.

In an earlier chapter we have traced the impotence of the House of Commons to control the foreign policy of the Empire. It is preoccupied with domestic questions. It lacks both the time and the knowledge to check our diplomacy. It has fewer constitutional rights in this field than any other Parliament of Europe. Its action is limited by the party system, which makes it practically impossible to dissent from the external policy of the Government without undoing its domestic work. It has accepted the doctrine of "continuity" which excludes foreign affairs from the conflict of parties, and thereby hands them over to the unchallenged influence of a governing class, which in society, in

the press, and in the diplomatic service is always, so to speak, "in office," despite the fluctuations of national opinion. It is, finally, frustrated by a practice which withholds from it all official knowledge of policies, treaties and negotiations, until they are already accomplished facts which Parliament may regret but cannot alter.

To bring about a complete change, and to invest democracy with a real control over foreign affairs, would require little less than a revolution in our habits of thought and our constitutional practice. Let us cherish no illusions about the difficulties of the task which we are setting ourselves. It would be easier to overthrow the monarchy, than to depose the inner governing class from the authority which it has usurped over the external policy of the Empire. The worst obstacle of all is that the House of Commons has in great measure lost its earlier instincts of independence and its habits of self-assertion. It is grotesquely sensitive about its dignity, when some young woman affronts it by disturbing its debates. But to the overgrown authority of the Cabinet and to the coercion of the party "whips" it is placidly resigned. These are moral and intellectual weaknesses which no agitation can remedy. They will continue while our rigid party system endures, and while they continue we shall enjoy only a simulacrum of representative government. One may, however, note certain changes of a general character which would tend to strengthen the House of Commons, and therefore in some measure to exert a favourable influence upon the control of foreign affairs. Proportional repre-

sentation would assure each member that he had behind him a real constituency of opinions. The entry of a third party into politics ought to have done more than it has yet done to break up the traditional party system, but Independent Labour struggles helplessly against the original sin of its birth. It cannot be independent while nearly all its members depend for their election on Liberal votes, and this dependence will continue so long as we retain the single-member constituency. Nor will it ever be possible to secure a sincere vote in the House of Commons on foreign questions, so long as parties worship the fetish of collective Cabinet responsibility, which Cabinets have themselves set up in the interest of discipline. It ought to be possible to vote against a Minister's opinion without thereby demanding either his resignation or that of the Government. It ought to be possible for the House to dismiss a Minister without evicting all his colleagues. The House should be free in short, at its own pleasure, to distinguish between a vote which expresses an opinion to which it expects a Minister to bow, and a vote which expresses its want of confidence either in a single Minister or a whole Cabinet. Until these reforms are carried, we can have nothing but a fettered House of Commons. Our whole political life suffers by the delay, but perhaps the conduct of foreign affairs suffers the most seriously. On most of the broad issues of domestic policy a majority in the House, if it has the country behind it, will in the long run have its way. Foreign questions are the exception, because

they are not the grounds on which the average elector casts his vote.

There can, however, be little hope of securing due attention for external questions, without some fundamental change in our constitutional machinery. The chief obstacle is the inordinate complexity of modern politics. To say that Parliament has no time to deal at once with English, Irish and Imperial affairs is to state only half the difficulty. It is obliged to range itself, and to form its parties in accordance with the most vital issue of the moment, and that issue is almost always a domestic question. It is partly the imperative necessity of simplifying issues that has led to the growth of the doctrine of "continuity" in foreign policy. The real verdict of the country must be obtained on the vital questions of home policy. It is hard enough even so to detach one issue, and to say that the electors have had or ever can have a chance of pronouncing on one definite home subject, even when it is of the first importance. But the complication would be intolerable if foreign issues were also presented for judgment. This consideration has reinforced some others, to induce both sides to remove external questions from the area of party controversy. This instinctive simplification was probably inevitable, but it has had from the democratic standpoint the most disastrous consequences. In removing external questions from the field of party controversy, it has withdrawn them for all practical purposes from the decision of public opinion. The sections of society which make their influence felt outside the mechanism of parties are

those which have wealth and social standing behind them. The average man is formidable only by his vote, and of this weapon the convention of "continuity" has disarmed him.

There is no real remedy for this breakdown in our constitutional machinery, save by the separation of external from domestic issues in some scheme of federal "devolution." Towards this solution we are moving inevitably and rapidly. In one form or another we are bound within the next few years to evolve some scheme of "Home Rule All-Round." The problem has been approached too exclusively from the Irish standpoint. Realising that we must give autonomy to Ireland, we see that this concession will hardly be workable unless we go on to do the like for Scotland and Wales. An Imperial Parliament will be left when the process is completed, which will be free to concern itself primarily with the whole range of Imperial questions, from foreign policy to the fighting services, from tariffs to the government of India and the Crown Colonies. It would lie far beyond the scope of this book to dwell in any detail on this inevitable change. But it seems relevant to urge that in the consideration of this constitutional reform, we should give due weight to the positive need of creating a Chamber whose duty it will be to deal, as the German Reichstag does, primarily with Imperial questions. To think of this Imperial Parliament merely as the shell which will be left when the subordinate national Parliaments have been created, would be a laughable short-sightedness. We need this Parliament. We who are democrats ought to create it with enthu-

siasm and eagerness, because it offers us for the first time in our history the chance of subjecting our external policy to the real judgment of public opinion. The voter will acquire his share in the control of the Empire, only when he has the chance of electing a Parliament which will deal mainly with Imperial affairs.

When the time comes for the remodelling of the Constitution, the democratic parties, if they are alert, will insist on removing some of the obvious defects which distinguish our Parliament unfavourably in comparison with the Chambers of other European peoples. Some of these defects have been considered in a previous chapter (pp. 128-154). It is hardly necessary to argue that treaties ought to be submitted in draft to Parliament before they are ratified and become binding. No one who professes any ideal of self-government, however Conservative, could defend the conclusion of such an instrument of alliance as the Japanese treaty by a Cabinet which represents one party alone, and may be nearing the end of its term of office. A solemn obligation, by which the nation contracts to fight, in circumstances unknown, in the dim future, ought to be undertaken, if at all, by the representatives of the whole nation. One would indeed wish to prescribe that treaties of alliance must be sanctioned by something larger than a bare majority of the House. It is true that if it is attempted, as the United States Senate often does, to amend a Treaty, Parliament would expose the Foreign Office to grave embarrassments. But an adroit Secretary will learn how to provide against that inconvenience

by ascertaining, before he completes his negotiations, what the trend of Parliamentary opinion is. It is hardly less axiomatic that declarations of war ought to be made only with the sanction of Parliament. Accustomed as we are to our party-ridden Commons, it is difficult to imagine circumstances in which the House would refuse, amid the excitement of a warlike crisis, to sanction a war to which the Government was already committed. But even as things are to-day such a provision would impose some check upon a headstrong Ministry. It would be compelled to measure public opinion carefully. It would not dare to move faster than the Opposition allowed. It would be obliged, finally, to meet with some show of reason a motion that the dispute be referred to arbitration or to the mediation of neutral Powers. The Labour Party, one hopes, would know how to improve that opportunity.

A House which really meant to control foreign affairs would not be content to assert its control over treaties and declarations of war. It is the conduct of affairs between one great crisis and another which ends in the treaty or the war. What has to be controlled is precisely what is least known —our policy in pressing for concessions or in drawing the boundaries of spheres of influence. What is wanted is some mechanism of control which can operate steadily and quietly, while an affair is still in the stage of confidential negotiation. This mechanism must admit of secrecy; it must also impose control without involving at every turn the fate of the Government and the continuance in office of the Foreign Secretary. We ought not, of

course, to commit ourselves to the principle that foreign affairs ought to be conducted secretly. From that assumption spring half the evils of diplomacy. The veil of secrecy means too often a claim to do beneath it what no man who respected his own honour, or cared for the good opinion of his fellows, would dare to do in public. If international controversies were conducted by the public exchange of despatches, wars and aggressions would be almost unthinkable. The fear of causing a panic on the Stock Exchange, the dread of alienating opinion both abroad and at home, and the necessity of being accurate in statement and cogent in argument, would soon impose a restraint upon diplomatists that would transform international morals. It would be necessary to argue questions solely on their merits, instead of conducting a mere conflict of wills. There is, moreover, another argument against the present secrecy of diplomacy. It is that the secrecy is only partial. The enterprise of the press, and the desire of some diplomatists to win for themselves partisans and supporters, has gone far to make the intercourse of nations public. But the mischief of this system of illicit revelation is that it is rarely honest. Diplomatists divulge secrets with a purpose, and newspapers publish the facts with a bias. Documents are edited, and conversations distorted. One usually knows within a few hours when one Power has delivered something resembling an ultimatum to another. But the course of events is always represented in each country from a standpoint favourable to the diplomacy of that country. An exaggeration or distortion published in Paris

or London is of course at once officially denied in Berlin. But as the denial almost invariably denies too much, we do not by this process arrive at truth. The mischief of a dishonest and partial publicity is only to be cured by an abandonment of the fiction of secrecy. That must be the aim of any sincerely democratic party. But clearly it is not quite at every stage or in every detail that diplomacy can as yet, if ever, achieve complete publicity. The early phases of a negotiation, whether between individuals or societies or nations, may gain something by being confidential. Much may be effected in conversation by a tactful Ambassador which could with difficulty be achieved through an exchange of despatches, particularly if every sentence were penned with a view to publication. But even over the preliminary steps of a confidential negotiation Parliament ought to have some check. For it is precisely in these preliminaries that a Minister lays down the lines on which the subsequent fate of the transaction will depend.

The mechanism by which secrecy can at certain stages be preserved, and control none the less secured, has already been discovered in one form or another by several foreign Parliaments. In France a Sub-Committee chosen through the Bureaux from the whole Chamber examines the Budget of the Ministry of Foreign Affairs, and contrives by this means to exercise in private a certain check upon the Minister. The Sub-Committee of the Senate conducts on occasion elaborate retrospective enquiries into past transactions—as for example after the Morocco crisis of 1911. In Austro-Hungary

"delegations" from the two Parliaments discuss Foreign Policy with the Minister. In Germany a Federal Council representing the Governments of the federated States of the Empire has certain rights of control, and its sanction is required for a declaration of war. But the most powerful of all these bodies is the Foreign Affairs Committee of the United States Senate. Sitting in private it discusses with the Secretary of State even the details of his policy, and studies his treaties line by line before they can be ratified. Its record is unfortunately by no means encouraging, for it has prevented the conclusion of many treaties which would assuredly have made for peace. But a Committee can be no better than the House from which it is chosen. The Senate stands for organised commercial interests and for the sectional selfishness of the individual States. It would not be reasonable to argue that effects which manifest themselves under the peculiar conditions which prevail at Washington, would be reproduced by a similar institution in our country.

The proposal which arises from these preliminary considerations shapes itself somewhat thus: There might be elected from the House of Commons by ballot on a proportional basis, either annually or for the duration of a Parliament, a small standing Committee for the special consideration of foreign affairs. It should be large enough to represent fairly every phase of opinion—seven or eight members would be a minimum—but not so large as to make businesslike procedure difficult. It would meet periodically at frequent intervals both during

the session of Parliament and in the recess. It should be summoned if any new situation demanded a decision which involved a departure from a policy previously sanctioned. It should have the right to demand the production, under the seal of confidence, of all essential documents and despatches. The Foreign Secretary would naturally be present at its deliberations. It would also be useful that it should have the power to request the attendance, on occasion, of experts in special questions, both official and unofficial. It should be consulted in the negotiations which precede the drafting of treaties, as well as in the later phases when the bargain is embodied in a final form of words. It would be unwise and unnecessary formally to require the Foreign Secretary to abide by the decision of the majority of this Committee. That would involve too wide a departure from our present traditions, But it should be provided that in the event of a capital disagreement, either the Minister or the Committee should have the right at any time to refer their differences to the House of Commons. Over certain acts, such as the issue of an ultimatum, a declaration of war or the conclusion of a treaty, the Committee might be armed with a right of veto, pending the decision of Parliament The general idea of such a Committee would be that it should exercise over the Foreign Office the control which the Cabinet so rarely exercises to any purpose. Its members would give to foreign affairs, as the members of a Cabinet cannot, a close attention. Most of them would be well-informed in some degree before they were elected, and all, with these new

opportunities and new responsibilities, would tend to become expert. They would not in their debates be thinking of the fate of their own measures and the independence of their own departments as Cabinet Ministers often do. Nor would they, in the privacy of a committee room, be fettered by the party ties which oppress the private member in the division lobby. Three claims may be made for the adoption of such a system as this. It would give some guarantee, if the Committee was well selected, that the policy of the Foreign Office really reflected the will of the nation. It would place a check upon rash actions and Machiavellian designs. It would also help to secure, by the wisdom of several heads, a higher level of efficiency than the Foreign Office at present attains. There would still remain to a strong and capable Minister a considerable range of unfettered action. He would have to face the test of frequent and intimate debate. He would not be free to conclude treaties binding on his country for years to come, or to send despatches which might provoke immediate war, save with the sanction of the Committee. But over the general conduct of foreign affairs he would remain the responsible Minister, subject only to the risk that if in vital matters he ignored its opinion, the Committee would appeal against him to the House of Commons. In practice the first concern of a Minister would be to keep his Committee with him, to lead it if he were strong and capable; to follow it, if he were a man of timid character and moderate ability.

It may be necessary to answer certain objections which this scheme suggests. It will be said, perhaps,

that secrecy could not be secured if all despatches were open to the members of the committee. That objection ignores the fact that all secrets are at present shared, in theory at least, among the members of the Cabinet, not to mention the higher officials at the Foreign Office. There is a better chance of finding discretion among eight or nine men than among twenty. Some leakage there would be, but is there none at present? The Committee would realise that its power depended on its own conduct, and it would doubtless require the resignation of any member who flagrantly and wilfully betrayed a confidence. It may also be urged that to concede so much power to a Committee representing all parties would be a departure from our system of government by majority. But the majority in the House would also have the majority in the Committee. Moreover, this objection ignores the fact that we have of recent years discarded the theory of party government in foreign affairs, and substituted for it a theory of "continuity." Finally, it will be said that the existence of such a Committee would destroy such control of foreign affairs as the whole House possesses at present. To those who realise how little control it does in fact possess, that will not seem a grave objection. The present system of questions, the present occasional debates, need not be interfered with. The final control of the whole House would remain unimpaired in the event of a disagreement between the Committee and the Minister. The House would, in fact, have conferred on certain elected delegates a real authority, in the place of a nominal control which it cannot at

present render effective. The only serious inconvenience would be, so far as I can foresee, that a member of the Committee, who was in opposition on any serious issue to the Minister, would have to fight him in the whole House—if he could fight him there at all—with his hands tied. He could not freely use in public debate the confidential knowledge which he had acquired in Committee. But after all, it is better to be able to make private use of full knowledge, than to fight publicly but in the dark, with no real knowledge at all. A confidential Committee would not offer a perfect system of control. But the reasons which prevent Parliament from developing an effective public control over the details of diplomacy are likely to be permanent. It is wiser to recognise that this latter ideal is in our day unattainable, and to seek for the best substitute within our reach.

There are certain other minor points on which a democracy jealous of its rights would insist. The diplomatic service, both within and outside the Foreign Office, ought not to be as it is at present, the close preserve of the upper class, jealously guarded by a system of nomination. The Levantine Consular service, which is filled by open competition, shows, if I may trust my own observation in the Near East, a much higher level of ability and competence than the more aristocratic diplomatic service proper. A consul in Salonica invariably knows much more of Turkey, its people and its languages, and is usually, in addition, an abler man than the distinguished person who draws an immense salary for presiding over the Embassy at Constantinople. Our Am-

bassadors, moreover, are rarely men of human and popular sympathies. Our consuls, on the other hand, in this capable Near Eastern corps, are usually as humane and generous by temperament, as they are intelligent and well-informed. The spirit of our diplomacy would gain in liberality and in humanity, as well as in ability and in the habit of hard work and careful study, if the service were recruited by open competition and its higher posts filled on the ground of merit alone. The ornamental side of diplomacy is rapidly becoming obsolete. Treaties and alliances are no longer made by the gay arts of the courtier. On the other hand, the advantage of appointing such a man as Mr. Bryce to such a post as Washington is apparent. Neither a courtier nor a trained diplomatist, he has none the less won the confidence of the American democracy, and immensely improved the relations of the two peoples. His personality means something to American citizens. Much might be gained by sending men of eminence in letters or politics to represent us in every country where public opinion is a real factor in diplomacy. Another proposal which may deserve a passing mention is that the Foreign Office should issue a weekly gazette, containing certainly all the despatches which could with safety and propriety be issued, and possibly also an occasional editorial article to explain our policy. We depend at present for our official information on Blue-books devoted to special subjects, issued at infrequent intervals and usually too late to be of much real service. If the same material reached us promptly in weekly instalments, its value would be immensely enhanced. For any

interpretation of the British Government's policy, we and our European neighbours must depend on the *Times*, which is usually, but not always, inspired, and often pours into the official draught some liquor from its own cellars. The editing of these leading articles would be an anxious task, and perhaps the Foreign Office, which at present finds dumb secrecy an easier part than cautious and temperate speech, would shrink from this bold suggestion. But the advantages to be gained by the prompt periodical publication of official information are sufficiently obvious, nor would this practice carry with it any apparent risks. Half the unrest in Europe comes from the effort to divine the real thoughts of a Government through the rare speeches of its members, the still rarer appearances of its Blue-books, and the daily, but not always authoritative pronouncements of newspapers which it inspires but cannot fully control. To issue such a weekly diary would create confidence by a wise publicity, provide a prompt method of removing misunderstandings alike abroad and at home, and contribute at the same time to build up, by the provision of full and accurate information, an instructed public opinion.

It is only by concentrating on such proposals as these, but more especially on the creation of a permanent Committee for foreign policy, that a democracy may hope to exert a steady influence on the factors which make for peace and war, govern the growth of armaments, and limit our opportunities for humane service in the world. In vain do we seek by spasmodic agitation to resist some sudden encroachment of militarism, to oppose

a war already begun, or to unmake a treaty already ratified. These things depend on the main lines of our foreign policy, our permanent alliances, our understandings and misunderstandings, our rivalry with this Continental Power, our obligations to the other, and the posture for the moment of the struggle for ascendancy in Europe. These larger matters of policy are debated rarely on platforms and never in Parliament. Until we can by some means control them, our agitations beat in vain against occult forces and secret obstacles, whose presence and power we dimly discern.

CHAPTER VIII

THE CONTROL OF FINANCE

PSYCHOLOGY possesses a fascinating unsolved problem. Are we sad because we cry, or do we cry because we are sad? Are we merry because we laugh, or do we laugh because we are merry? There is often the same difficulty in international politics in distinguishing cause from effect. Does finance follow the flag, or is the flag dragged in the wake of finance? No generalisation will altogether cover the facts. The bondholders pulled the flag after them to Egypt, and with the Gladstonian Government for standard-bearer, it went, vowing its reluctance, and protesting that its stay would be brief. It seemed, on the other hand, to be a political and sentimental impulse which carried the flag further into the Soudan. The discovery that its sands may be watered and made to bear cotton was an afterthought, which can hardly have visited the minds of the journalists who wished to "avenge Gordon" and the soldiers who hoped to forestall Marchand. The explanation of the remarkable solidarity between the diplomatist and the financier in most modern Empires is not to be sought in any crude labels. For each of them it is part of the providential order of the universe that patriotism should profit the

governing class. That is why it is commonly the sincerest of all the disinterested emotions. It would be as false to say that the diplomatist is the sordid tool of finance, as it would be to say that the financier is the disinterested purse-bearer of patriotism. They belong to the same social world; they each submit to the vague influences which cause the world to turn its interest now to this corner of the earth, and again to that. Each has his own formula to cover what he does. The financier knows that in pushing his business he is incidentally buying power for the empire. The diplomatist is convinced that he is serving his country by promoting "trade." However we explain it, the understanding between the City and Downing Street is admirably close. The City does not invest where investments would hamper our foreign policy; the Foreign Office will stand by the City where it has invested. To demand the "control of finance" will seem to some readers superfluous, and to others chimerical. It is both, and it is also an object to achieve. In one sense it exists. With rare exceptions, a British financier will not use his money in any affair which has, or may acquire a political colour, without the approval of the Foreign Office. Our Foreign Secretary does not need the formal veto which a French Ministry possesses over the quotation of foreign securities on the Bourse. The general astonishment at the daring of an English banker who did venture recently to float a Chinese loan in London against the wishes of the Foreign Office, was an eloquent witness to the usual custom and the general feeling. Persia was successfully prevented from borrowing in London, though

she had found a banker willing to accommodate her. Perhaps the most curious instance is supplied by the history of Russian loans. Before the Crimean War they were several times issued in the London money-market. From 1854 to 1906 the City boycotted Russia. The loan of the latter year followed the hints in Sir Edward Grey's speeches, and the evidently inspired articles in the *Times* which foreshadowed the conclusion of the political understanding then in process of negotiation. The services of finance and diplomacy are mutual, and in the modern world they have become indispensable to each other. It is an immense reinforcement to diplomacy in dealing with a debtor State to know that it has, in effect, behind it the exportable capital of a wealthy nation to give or to withhold. If any Power or group of Powers held the monopoly of the world's money-market even for a few years, and used it with a conscious political purpose, they would in the end dictate to Russia, China, Turkey, and the Latin-American Republics. We habitually classify Powers as Conservative or Liberal, as military or naval, as industrial or agricultural. But there is a classification as vital as any of these for an understanding of world-politics—the division into creditor and debtor States. It is her unequalled stores of capital for export which keep France, in spite of her stationary population and the relative decline of her military strength, in the front rank of the Great Powers. It is her absolute dependence on the import of foreign capital which has forced autocratic Russia into two unnatural associations, the first with Republican France, and the

second with her Imperial rival, Britain. It is the financial power of Paris and London which assists the Triple Entente to maintain itself against the compacter military force of the Triple Alliance. It is the aspiration of Germany, a relatively new country which accumulates capital hardly fast enough for its own internal needs, and much too slowly for its over-seas ambitions, to obtain access to the closed money-market of Paris, that explains much of the unrest of Western Europe. Under the alternate bullying and cajolery of German diplomacy towards France there is often discernible the underlying thought that a rough wooing might bring about the fruitful marriage of German enterprise with French thrift.

It is impossible in all this intricate play of motives and forces to say where the pressure of finance ends, and the control of diplomacy begins. There is no antagonism, and there is no subordination The British reconciliation with Russia appeared on the surface to be purely political, a strategical move dictated by the posture of the struggle for a balance of power. But the knowledge that an understanding with Russia would provide a profitable outlet for British finance must have furnished a powerful secondary motive, and the influence of Lord Revelstoke and the interests which he leads, was undoubtedly a force which helped to reconcile middle-class opinion to the change in our traditional policy, French statesmen were ostensibly buying the Russian army for eventual use against Germany when they concluded the Dual Alliance, but we may feel sure that the French banks, which control the French

press far more directly than any one interest controls our English newspapers, did their part in preparing a connection which has been worth incalculable sums to them in commissions and profits of flotation. If the reader asks for a more recent illustration, there is the Mexican crisis. It may have been, and probably was, a train of purely disinterested and even doctrinaire reasoning which induced President Woodrow Wilson to oppose the Dictator Huerta. But without suspecting that the Standard Oil Trust, which has long been at feud, first with Porfirio Diaz, and then with General Huerta, directly influenced either Dr. Wilson or Mr. Bryan, it did undoubtedly help to make the public opinion which approved their policy. They could not have acted against it; a fortunate concurrence of humanitarian views with financial interests enabled them to act with it. It was, one supposes, the influence of the rival British Cowdray group of financiers which made our own Government well-disposed both to Diaz and to Huerta, though in the end this influence was not powerful enough, after the initial stages of the crisis, to set our diplomacy in direct antagonism to that of the United States. The mischief of this relationship is not that finance invariably dominates diplomacy; in point of fact that is not an assertion which could be maintained. The mischief is rather that the relationship is uncertain, obscure, secret and capricious. There is no avowed control of finance by diplomacy. It is rather that the right hand and the left of the same organism normally work in response to the brain of the same governing class. In the conversations

which decide policy the financial groups, well-informed and alert, are always early in the field, and against their claim to represent a national interest, there is no popular influence, equally alert, equally well informed, to balance their pressure. Finance may be on occasion the subtle master of diplomacy. It may be also an invaluable instrument. To provide against the danger and to ensure the use, it seems essential for a modern State to possess an avowed and public means of control. It ought to be possible in the national interest that a Foreign Office should be able to do avowedly and publicly what ours does privately and semi-officially. Finance, as we have seen, relies on diplomatic support in all its dealings with States like China, Turkey, and Mexico. That is the basis for control. The power of sanction and veto exists already, but in a form so covert and irresponsible that public opinion is unable to control it, and can hardly question it. It is not in order to strengthen the bureaucratic authority of the Foreign Office that one desires formal control, but rather to make the Foreign Office itself accountable for its acts. These sanctions and vetoes are among the most important transactions of public policy. They ought to be subject to review by some such body as the Committee of the House of Commons proposed in the last chapter. They depend at present on conversations between financiers and public servants conducted, no one knows how, between the four walls of a room. The only way to convert them into responsible acts of an avowed policy, is to introduce in this country legislation, on the lines of the French model, which

lays it down that the assent of the Government is necessary before a foreign security may be quoted on the Stock Exchange.

A single illustration will suffice to show the advantage which this power of control would give, on occasion, to those who desire that British policy should serve a high international purpose. There was a moment when the action of British finance was the decisive factor in the Russian struggle for constitutional freedom. It is rather difficult for Englishmen to realise how important the attitude of the rest of Europe is to Russia. Our foible is a certain disdain for foreign opinion: we can afford this luxury, for we are independent of foreign finance. Russia is sensitive because she depends as absolutely as any Latin-American Republic upon her repute in Western markets. She must float by far the greater part of her loans abroad. She cannot even provide from her own resources for the municipal enterprise of her cities. Her undeveloped coal and iron and petroleum fields all await the fertilisation of foreign capital. If we can conceive for a moment what German opinion would mean to us, if we had to float Consols through the Deutsche Bank, if Manchester had to go to Berlin for money to build her tramways, if a South Wales coal mine were awaiting the good opinion of some financier in Hamburg, we shall be able to realise dimly why and how much the good opinion of the English people matters to the Russian Government. Credit is a delicate possession. So long as British investors thought of Russia either as a hostile empire dangerous to ourselves, or as an unstable autocracy menaced by revolution,

it was in vain that the Russian financier brought his proposals to the City. Prudence, patriotism and humanity were all against him. The change in the opinions of the moneyed classes began when the Conservative press advocated a *rapprochement*, when the *Times* ceased to give prominence to news damaging to the Autocracy, and when it was known that an agreement over Persia was in process of arrangement. There was no mystery about the reasons for this change of attitude. Sir Edward Grey had said that it was necessary to restore Russia to her rank as a Great Power in order to redress the balance in Europe. In plain words, our diplomacy wanted Russian support against Germany, and France was urging and engineering the reconciliation. The early months of 1906 were the critical moment for Russian finance, and it happened to coincide with the critical moment in the development of her constitution. While she was endeavouring to secure a loan of one hundred millions in Western Europe, the elections for the first Duma were about to be held. The Constitution was still a sheet of paper. Everything turned on the ability of the Duma to assert itself, to control the bureaucracy, to make itself the supreme power in Russia. There was one obvious method open to it. It must possess control of the purse, and that meant at the moment control over this foreign loan. If the loan were concluded before it met, the bureaucracy would meet it with its war-chest full. For a few months or weeks European public opinion was potentially the master of Russia's destinies. It professed full sympathy with the constitutional movement, and it

had the means of giving its sympathy effect. The Russian Liberals (Cadets) were at one with the Socialists in urging that the granting of the loan should be made conditional on the consent of the Duma. This would have involved a delay of two or three months, but it would have enabled the Parliamentary majority to drive its bargain with a Tsar who had already repented his concessions. Fresh from their sweeping victories at the polls, the Liberals and Socialists might have said to the Tsar's Ministers: "We have Russia behind us, and we have Europe behind us. Your coffers are empty; your credit is exhausted. Concede our full rights of responsible government, and we will vote your taxes and sanction your loan. Deny our rights, and we are convinced that neither in London nor in Paris will you find the money to finance your oppressions." But the great loan had already been floated in Paris and London by March, 1906, and in May when the Duma assembled, it found itself confronted by a Government which had nothing to fear from Russia, and nothing more to hope from Europe. Europe had enabled it to pay its Cossacks. For two generations we closed our money-market to the Tsars. We opened it three months too soon. Had we waited those three months, as the Russian Liberal press implored us to wait, the progressive parties must have triumphed. The Cossack can do little, unless the financier stands behind him. But no Parliament can effectively wield the traditional weapon of supply, if foreign banks have first provided for the despot's needs. The decision, in this instance, rested with London. The Paris banks, weary of the burden of supporting

the tottering Russian chaos, had made it a condition of their supporting this loan, that English banks should share the profitable burden. It lay with the English banks on their side to insist on the brief delay required to obtain the Duma's assent. It may be said that "business is business"; one cannot fairly expect a banker, when he is offered a large commission for floating a loan, to weigh all the consequences which his action will have for the liberties of a foreign nation. Perhaps not. But the bankers, one may be sure, consulted Downing Street, and Downing Street in its turn thought only of buying the dead weight of Russia to fling into the scales of a balance of power. Even from that standpoint it miscalculated: a free Russia would be a more trusty friend and more valuable ally than a Russia enslaved, oppressed, and busied with unending internal strife. But such foresight is as rare among diplomatists as disinterestedness among bankers. The decision in what was really an act of European policy, fraught with the gravest consequences for human peace and freedom, ought to have lain neither with the diplomatists nor with the bankers. Had it come before a Parliamentary Committee, some members at least would have listened to the appeals of the Russian progressives, and insisted on postponing the loan.

This illustration might be continued at will. When once the Russian bureaucracy had found its way to the British market, it knew how to establish itself. With steady and open official encouragement, with the aid of the financial press, and of the special Russian supplements of The *Times*, Russia has

become popular as a field for British investments. One firm alone boasts in an advertisement that between November, 1909, and October, 1911, it placed Russian bonds worth £4,891,700 on the English market. Such transactions have two aspects. On the one hand, our propertied class was acquiring a stake in Russia. On the other hand, our good will was becoming increasingly important to the Russian bureaucracy. Banquets, official visits, and Royal courtesies were steadily employed to raise the temperature of opinion to the point at which money flows. And this went on while two Dumas were dissolved, the franchise gerrymandered, Finland enslaved, and Persia overrun. Even from the narrow standpoint of diplomatic technique our procedure was singularly inept. With all our buying, we never bought Russian loyalty, nor prevented her from coquetting with the German rival. Yet the cards were all in our hands. Whatever else Germany can do for Russia, she cannot lend her money. Had we made terms before we lent, had we even checked the flow of gold, we could have won some measure of control over Russian policy. If France had backed us (and we were earning her backing during the Moroccan crisis), it ought to have been possible to say to Russia, "No more money until Persia is evacuated." Persia, after all, is a luxury for Russia; money is a necessity. When Conservative diplomatists retort to those who would have our diplomacy pay some regard to the interests of liberty and humanity, "Would you have us go to war for Persia?" (or for Finland or Macedonia,

as the case may be), there is a simple and effective answer, "War is an obsolete barbarism. In the modern world finance is a more effective weapon. At any moment, France and Britain, if they were really at one, as they professed to be, could deal with Russia or with Turkey as they chose. Shut the doors of the banks, and these despotisms would be helpless."

What is true of the impolicy and immorality of allowing and encouraging the export of British capital to assist a tyranny in its enterprises against liberty, is even more obviously true of the use of capital to assist a foreign war. It has been cogently argued that if the munitions and provisions intended for a belligerent army are contraband, money exported for its use is equally so, and that the lending of money to a State engaged in war is a flagrant breach of neutrality. There is no obvious answer to this argument, and it would seem to follow that the open flotation of loans in neutral markets for the benefit of belligerents ought to be rigidly forbidden. It is not so certain, however, that the reform in law is worth making. It is on the eve of war that such loans are usually contracted, and this could be dealt with only under a general Act by which all foreign loans require the sanction of the Foreign Office. Europe made or pretended to make some futile efforts to prevent the outbreak of the Balkan wars. They failed because they were insincere. Russia, as we now know, so far from wishing to prevent the war, had actually arranged it by presiding over the formation of the Balkan League. At the very moment when she joined the

concert in declaring that none of the Allies would be allowed to keep the territory they won, she had set her seal to a treaty of partition, and accepted the post of arbiter in the division of the territory. It is such duplicity which makes concerts ineffective. Either of these wars could have been prevented, if the French banks had been forbidden to finance the combatants. They were not forbidden, because Russia willed it otherwise. Our own finance was comparatively, perhaps wholly, innocent. The case is worth citing only as an illustration of the importance of securing first of all that diplomacy shall control finance, and secondly that public opinion shall control diplomacy. More and more, finance is becoming the arbiter of war and peace, the master of despotisms, the unseen agent which might, by a bloodless intervention, check the ambitions of the world's rulers and relieve the sufferings of oppressed races. Looking back upon the records of recent years we can see how it might have been used to prevent Russian aggression in Persia, to save the Duma, to control the aberrations of Turkish policy, to prevent the outbreak of a shameful war. The tool lies ready for the grasp of a European democracy strong enough and united enough to use it. Together the three Western Powers could use it to control the world. But the first step in the realisation of that dream is to make it our servant at home.

The control of finance, where the dealing of British banks with foreign governments is concerned, is not the most difficult aspect of our subject. In practice it exists, though in a covert and unavowed form. In theory it would be a natural extension

of the existing law. The meaning of the foreign Enlistment Act and of the orders which enforce neutrality in war-time, is that in his dealings with foreign governments a good citizen is expected to subordinate his own personal interests to those of his country. The State, when once it has begun to protect and even to aid the financier in his operations abroad, has the right to regulate them. At any moment these operations may compromise us, lead to a demand for intervention, bring us into conflict with other Powers, and require the use of the prestige or even of the actual force of our Navy. Operations which may have such consequences cannot be regarded simply as the private acts of a private trader, of which the State need take no cognisance. We enter more difficult and contentious ground when we turn to the larger question of the export of capital abroad in the form, not of loans, but of railway building, mining ventures, and other enterprises which usually involve some direct dealings with foreign governments. The evils and risks of this peculiar modern development of "trade" have been dealt with in a previous chapter. Whatever view the reader may take of it, this at least is clear, that it differs in kind from the older and more familiar type of trade, the exchange of goods. It differs at both ends. Send a shipload of goods abroad, and the benefit of the transaction must be counted not merely in the merchant's profit, but in the wages of workers who made the goods and the sailors who carried them. Send a supply of capital, and no one save the investor (and a few bank clerks) shares in the direct gains.

Capital accumulates too rapidly, and the inducement to send it where labour is cheap, tends to prevent its employment at home, limits the supply of capital at home, and helps to make it relatively scarce and dear. A further consequence is that in order to support and promote its safe and profitable investment abroad, the whole nation is taxed and its policy encumbered, to maintain the armaments which are increasingly an insurance for the foreign investments of the few. The direct profits of the trade in capital so vastly exceed the direct profits of the trade in goods drawn by the moneyed class, that our national policy has evolved from what the Germans call "Manchesterism" to Imperialism.

This is, of course, a partial presentment of the facts; there is another side. The peculiarity of this modern trading which begins with lending, and is conducted throughout on an elaborate credit basis, is apt to be overlooked. It is not "trade" as Cobden's world understood it, nor as Lancashire still understands it. It has its own special risks and mischiefs, and if the distinction has been unduly emphasised in these pages, even an exaggerated statement of it may have its uses. It would be a mistake, however, to ignore the connection between the export of capital and the trade in goods. The former process prepares and facilitates the latter, opens new markets, unlocks latent resources, and hastens a movement of population and goods which would at the best have come slowly without it. Because money has been lent to Canada, India and Argentina to

build railways, the seas are laden to-day with the ships which carry our food supplies from these countries. On the produce of the tropics and the colonies we depend for most of the raw material of our manufactures, and for many of the staples of our daily life. Had the colonists or the natives of these countries been left to accumulate their own capital unaided, and to build their ports and railways slowly as their own resources permitted, this trade would to-day be incomparably less in volume than it is. All this is so well known and so universally recognised, that it is hardly necessary to lay stress upon it. It would, moreover, be misleading to use language which recalled the primitive fallacies in the history of economics. We have long outlived the notion that the sending of capital abroad involves a diminution of our wealth; nor is there in the end anything but a gain to the world's wealth and a saving of the world's labour from a process which stimulates production where it can be most economically carried on. It is not from the protectionist standpoint that the process is here criticised. There is, moreover, this to be said in mitigation of any criticism. It is a process of which the evils diminish with the lapse of time. While a new country is being "penetrated" or conquered, we must witness uncompensated mischief, which involves us only in diplomatic conflicts and increased armaments. As years go by the need passes for special military efforts; and other Powers recognise the accomplished fact, and benefits of one kind or another begin to figure on the credit page of the national ledger. The permanent

mischief remains as a dead weight on the national debt, and a standing annual addition to the Navy estimates. The evils of the process are a necessary and inevitable accompaniment of capitalistic civilisation. They cannot be ended or avoided. The utmost we can do is to enquire how far they can be regulated and limited, so that the minimum of injury shall result to ourselves, to native races, and to our European neighbours.

A peculiarly gross scandal has recently led to some discussion of the need for a means of controlling British companies which operate with British capital abroad. The organisation which had imposed in the Putumayo region a system of virtual slavery, as cruel and as wasteful as anything which King Leopold created on the Congo, was a British company with British directors, and an office in the City. Public opinion discovered, as the revelations went on, that no device exists by which British financiers, whose agents have imposed slavery on a primitive race by massacre, torture, and rape, can be either punished or checked, provided they confine their cruelties to foreign territory. Public opinion was moved, and a suggested remedy, in itself, natural and simple, will shortly be proposed to Parliament. It is, in a word, that British subjects who in future lend their names and their capital to companies engaged in such criminal ventures, shall be liable to prosecution and imprisonment in this country, wherever the scene of their vicarious crimes may have been. The proposal embodies a salutary principle, and it marks the first recognition of the fact that British capital exported abroad is in some

sense an emanation of ourselves, a function of the national life which ought to be subject in some degree to British law and national control. But the criminal law is a clumsy means of control. It is only in the rarest and the grossest cases that it could be successfully set in motion. One has only to conceive the difficulty and expense of obtaining evidence in the heart of Africa or South America and transporting the witnesses to London, to realise how seldom the thing could be attempted. The defence would never be at a loss for hired or terrorised witnesses, who would swear that the worst of its agents was regarded by the natives as a beneficent deity, and the jury, ignorant of the local conditions, and ready enough to believe that if wrong was done, the directors in England were not to blame, would seldom be eager to convict. No fair-minded man had any doubt about the Putumayo atrocities, but evidence which would convince a historian is not always enough for a court of law. For one gross case like this there are a score of cases in which exported capital, while it may avoid crude, bloody crime, is, none the less, guilty of grinding exploitation, which only a lawyer could distinguish from slavery. The nightmare horrors of the Putumayo could take place only in the remotest regions of an unsettled and almost untrodden wilderness. They are not common, nor are they apparently very profitable, and they tend to cure themselves by their own excess. The system known as *peonage* is, on the other hand, general throughout Latin-America, and the capital by which it is worked is often foreign and sometimes British. It is the rule

in Mexico and Brazil, and probably in all the more backward Republics of South America. The victim, usually a native, but sometimes a white or a half-breed, incurs a debt to the planter or merchant, and by the Latin-American law of debtor and creditor, which knows no Truck Acts, becomes in effect his slave until the debt is paid off. It never is paid off; the planter keeps the books. Under this transparent fiction of debt, slaves are bought and sold, villages broken up, peasant landowners reduced to the level of serfs, and tribes carried off to distant scenes of oppression. Children are bought and sold, and young women driven into commercial prostitution. All of this is a typical expression of Latin-American civilisation. But foreign capital venturing into these regions adapts itself to its environment, and does in Mexico as the Mexicans do. It turns the rather slovenly, inefficient oppressions of the lazy Spanish landowner into a competent and extensive system, conducted with a ruthlessness and on a scale which transcend the habits of the country. The spectacle is not one which a European democracy ought to watch with indifferent eyes and folded arms. If the people of Mexico or Brazil developed a capitalistic system of their own, then however gross its evils might be, the process ought clearly to be allowed to follow its own natural evolution. For purely Mexican wrongs, the Mexicans themselves must find the remedy. But the European financier goes forth equipped with resources taken from our stores on a career of conquest and exploitation, protected by our flag and backed by our prestige.

Our moral responsibility for what he does is as clear as was the complicity of our fathers when they allowed the slaver and the buccaneer to fit out their ships in Bristol harbour. The mischief is far wider than any extension of our criminal law could control, and it assumes multitudinous shapes. To-day British capital is migrating to Russia. It finances a Siberian gold-mine, and presently we read that the workers who had revolted against intolerable conditions, have been shot down literally by the hundred. To-morrow it will be building factories in China, and the worst evils of our own nascent industrial era will be repeated under incomparably worse conditions.

It is not easy to prescribe a remedy, and honest thinking ought to admit at once that there is no adequate remedy. If one could regulate this process of the export of capital with an autocratic hand, one would like to exclude all foreign capital from weak and undeveloped States until they are strong enough to master it themselves, to make it their servant, and to subject it to Factory Acts and Truck Acts of their own. There is work enough for it to do in the newer countries which have a civilised government. Such a policy, however, would require a firm agreement among all civilised States, and it would postulate a degree of self-restraint and a sensitive humanity which exist at present in none of them. The utmost we can do as yet is to formulate our standard, to study methods of control, and to introduce them by degrees. At present we are faced by the fact that the Palmerstonian doctrine of the rights of the

Civis Romanus is the undefined principle of our foreign policy. Our diplomacy acts on the principle that it is its duty to promote and defend the interests of the British investor and concessionaire abroad. If we could begin the world anew, or if we were strong enough to reverse an established practice, we probably ought to meet this principle with a direct negative, and instruct our embassies and consulates that British subjects who invest capital or seek concessions abroad do so entirely at their own risk. The result would be an automatic regulation of the export of capital, which would achieve most of the results which we desire. Capital would not go to disturbed, unsettled and uncivilised regions, because the risk of being robbed by the native government would usually overbalance the chance of exploiting native labour profitably. In dealing with the more intelligent of these "native" States, it is possible that the subjects of a Power which did not protect them might enjoy a positive advantage. China, for example, pays her debts and keeps her bonds without external pressure. If she knew that she might favour British capital without risking diplomatic intervention, and without finding that areas which it was developing had been ear-marked as a British sphere of penetration, it is certain that she would prefer to deal with British financiers, if she were free to choose. The answer to this argument is, of course, that she would not be free. Other Powers would take advantage of our abstention to force their own capital by their own methods on China. It is clear that the policy of abstention could not be recommended as

necessarily good for British business, unless it were adopted by our chief competitors as the result of an agreement. That is not, however, a fatal objection. On the contrary, the nation as a whole has the right to say that it does not choose, for the sake of profits to finance, to involve itself in the competition for concessions and spheres of influence in China, a competition which must bring in its train some aggravation of the struggle for a balance of power, and some stimulus to the accumulation of armaments. We have an immense estate to develop. It is no hardship to ask British capitalists, if they must have the protection of the British flag, to confine themselves to an intensive cultivation of the vast Empire which we possess already. If that does not content them, the whole world is open to them, provided they face its risks without expecting the support of our diplomacy. There is nothing chimerical or Utopian or impracticable in suggesting the reversal of this Palmerstonian doctrine. The Tory party was opposed to the *Civis Romanus* formula before Disraeli and Mr. Chamberlain had taught it the new financial Imperialism. Nor is there any reason why Liberals should cling to it. They dislike criticism of the export of capital at present, because they suspect those who indulge in it of a mercantilist or protectionist bias. That is entirely to miss the relevant point. The main point is simply that the backing of investments by diplomacy means inevitably an increase of the armaments which are the diplomatist's last word. When that has been realised by any party which sincerely cares for peace, and

can shake itself free of the financiers who maintain the party funds, it will begin the reduction of armaments by the simple step of reversing the Palmerstonian doctrine. Armaments are an insurance for our exported capital, and they will continue to grow so long as we allow our diplomacy to be used to serve finance. The surest way to stop their growth is to instruct our Ambassadors that they must never again assist a financier who is endeavouring to obtain a concession.

There is at present no force in our political life strong enough to carry a reversal of the Palmerstonian maxim. For this reason, and also because some means are needed by which existing investments can be controlled, it may be well to attempt a sketch of some less heroic alternative policy. British capital operating abroad is in a position comparable to that of the traveller who applies for a passport. Passports are not granted as a matter of right. In theory, and to some extent in practice, they are regarded as valuable titles to protection which are granted only to respectable applicants. If a man or a company wishes to trade or lend money abroad under the cover of our flag, it is obvious that if we intend in any degree to protect or recognise his business, it must be open to investigation, and it must conform to such rules as the present standards of international morality may lay down. It we are going to protect or assist the operations of private finance at all, we have a right at least to stipulate that it shall not engage in any form of veiled slavery, or by *quasi*-political activities embarrass our diplomacy. The first step is clearly

to make some measure of surveillance possible, by requiring British businesses which operate abroad to apply for registration. A careful register, subject to annual revision, ought to be kept at the Foreign Office or the Board of Trade, of all the capital owned abroad by British subjects, whether in the form of loans, concessions, mines, railways, factories, or share investments. The keeping of such a register would be no light task, and a fee for registration proportionate to the capital involved, would naturally be imposed to meet expenses. With the proceeds of these fees it would be possible to improve the consular service, and to maintain a staff which could report on the conduct of business, and investigate charges of slavery and kindred offences. The register would naturally distinguish two classes of undertakings—those which merited recognition and some measure of official protection, and those to which recognition was refused. This classification would be much less difficult than one might at a first glance suppose. The greater part of this exported capital goes to British colonies or dependencies, and this would be registered without question or examination. It is amenable there to British law and British administration, and we need invent no new machinery to deal with its activities. Nor need we concern ourselves closely with companies operating only in fully civilised regions—the United States and Western Europe. There are some other parts of the world so barbarous and unsettled, or so fatally involved in unfree conditions of labour, that no company operating in them ought to be recognised. The debatable area, where recognition

might either be granted or refused, would still be considerable, and would include Russia, Turkey, China, Persia, the Portuguese colonies, and most of Latin-America. If the first task of compiling the register were entrusted to the officials of the Foreign Office, it would obviously be necessary to provide some Board or Commission, composed of non-official persons, before which appeals might be heard. Certain bodies, such as the Aborigines' Protection Society, ought also to have the right to state their case against a company, as the Societies for the Protection of Animals and of Children may do against an individual in a police-court. Certain general principles might be defined from the outset, or would gradually be established by precedent. It is easy to say in advance what some of them would be. No business ought to be recognised which offended in any one of the following ways :—

(1) By slavery or any of the disguises of slavery, by sweating or systematic ill-treatment of employees, or by tolerating conditions unfavourable to health.

(2) By usurious dealing with a native State, *e.g.*, by such terms as the bondholders imposed on the Khedive Ismail.

(3) By political activities, such as the financing of a revolution or civil war, as English financiers are said to have done (perhaps falsely) in Turkey and Mexico.

(4) By assisting a State at war or about to go to war, with money or arms.

Experience would certainly bring to light other

principles which ought to govern the recognition and non-recognition of British enterprises abroad. A "recognised" company would have the right to ask for protection in the conduct of its business; how far that protection would go in any given case must, of course, depend on general considerations of policy. An "unrecognised" company, though no one could prevent it from trading at its own risk, would find the doors of our legations and consulates rigidly closed to it. The register must, of course, be public, and its contents open to the inspection both of investors and of the representatives of foreign governments. Adventurers would sometimes evade this machinery where the stake was high enough. But it can hardly be doubted that this method of control would prove to be effective. The first question which any careful investor at home would ask, would be whether the company which invited his support was "recognised," while abroad, the unrecognised company, if it had overcome the first difficulty of obtaining capital, would find that its inferior and disreputable status exposed it to continual suspicions and humiliations at the hands of reputable firms and foreign governments. Once on the list, a firm would know that if at any time it were tempted to ill-use its native employees, or to speculate in revolutions, it risked the loss of its favoured position. The registration fee (which ought to be an annual charge) might become a valuable instrument of fiscal policy. When it is generally realised that the Navy is largely an insurance for the investments of the propertied class abroad, the conclusion will be drawn that it ought

to pay its full share of the cost, if possible, directly. That might be attained either through an annual registration fee, or by imposing a higher rate of income tax on the profits of foreign investments. This possible development of the register of exported capital need not be elaborated here. The case for the register is that it supplies a simple and automatic means of controlling capital abroad. Any use which might be made of it as a means of providing revenue ought to be secondary and incidental.

This proposal of a control over foreign investments exercised through a classified register, is put forward as the only logical development of the momentous innovation which Palmerston introduced in the theory and practice of diplomacy. He bestowed nationality on money. He lent the shelter of the flag to investments. We have seen how the whole evolution of Imperialism has proceeded from this premise. From the coercion of Greece because a Levantine moneylender had a claim against her, we have advanced to the modern practice of using diplomacy to back the financier who is engaged in concession-hunting. To some of us this whole development seems wrong and mischievous from start to finish, both in morals and in economics. It is a question, however, whether a principle which has helped in half a century to transform a large part of the earth's surface can be reversed. If the Empire intends to proceed on this principle, as no doubt it does, the reformer will endeavour at the least to define it and to regulate its action. We do not seriously mean to place the whole resources of our diplomacy and our armaments at

the beck and call of every usurer, every sweater, every concession-hunter who has taken the trouble to be born or naturalised in these islands. We back some ventures at present and ignore others, but what the principle of selection may be, is a mystery hidden from unofficial persons. The argument of these pages is that the selection ought to be drastic and systematic, that it should follow certain axioms of humanity and policy, and that its results should be publicly known in such a way as to discourage and handicap disreputable enterprises.

The evils of an unrestricted competition for concessions and monopolies between rival financial groups backed by their Governments, are so notorious that diplomacy has found several typical formulæ for bringing them to an end. Some of them have been mentioned already, and it will suffice to pass them briefly in review. The obvious method of resolving such conflicts is the demarcation of spheres of "influence," "interest" or "penetration" within which each of the competing Powers enjoys a monopoly respected by the others. This method is open to two grave objections. In the first place, it is rarely adopted before a ruinous conflict has exhausted the competitors. For years or decades they carry on a trial of strength which affects not merely their local relationship, but their attitude to one another in Europe, and is measured year by year in their military and naval estimates. If we were to take the sum by which British and German armaments have increased in the present century, it would be possible to allocate the increase, roughly,

somewhat as follows: 50 per cent. or less for the settlement of the question, Who shall exploit Morocco? ; 25 per cent. or more for the privilege of building a railway to Bagdad and beyond it ; 25 per cent. or more for the future eventualities which remain unsettled—the fate of the Portuguese colonies in Africa, and the destinies of China. In the second place, the delimitation of spheres of interest is almost inevitably fatal to the national existence of the country partitioned, and as inevitably adds a vast burden to the commitments of the Imperial Power. Persia furnishes the obvious illustration. Sir Edward Grey is clearly resolved that he will not allow himself by the march of events to be drawn into the assumption of any direct responsibility for the administration of the British sphere. It is a laudable resolve, but Russia may at any moment frustrate it. She deals with her own sphere on the opposite principle, and her sphere happens to include the seat of the central government. That government is already a puppet of Russian policy, enjoying only a simulacrum of independence. How much longer can a government which is not a government continue to rule the southern sphere? Sooner or later a choice must be made. Either Russia must withdraw, or some separate government under British protection must be created for the south Turkey is drifting rapidly towards a dissolution in which the spheres which the Great Powers already claim, will be formally delimited. It is easy to predict what that will mean. There will be first provincial loans, then provincial advisers, and finally a military control, under which each of these

"spheres" will become what Egypt already is, a dependency of a European Power.

The method of avoiding financial competition by marking off zones of monopoly, is clearly the worst which can be pursued. There are alternatives. Let us consider what methods might be followed if the Powers were sage enough to shrink from the terrific conflict which may one day overtake them for the partition of China. China is so thickly peopled that crude conquest presents few attractions. Even Japan could not settle her surplus population in a country where every hill is terraced and every field subjected to intensive cultivation. But there is here a field which capital is already eager to exploit, and every year diminishes the resistance of prejudice and inertia to its ambitions. The attempts to mark out spheres of influence have so far been tentative and unsuccessful. Our own claim to the lion's share, the Yangtse Valley, is admitted by no other Power, and it is doubtful whether the Foreign Office still maintains it. There are several principles which might be adopted if the Powers desired to avoid the jealous and dangerous struggle for concessions. In the first place, the simplest plan and the best would be the adoption of a self-denying ordinance by all the chief competitors. Let it be understood that British, French and German banks may compete among themselves for railways and loans, but that none of them shall receive any aid or countenance whatever from the embassies or consulates of their respective countries. If that could be decided, the allotment of concessions would be settled either by the merits of the com-

petitors or more probably by their skill and audacity in bribing Chinese officials. One may doubt, however, whether any of the Powers has sufficient faith in the honour of its competitors to enter on such an undertaking. A second and more hopeful plan might be borrowed from the undertaking negotiated by France and Germany over Morocco. They agreed to promote co-operation among their subjects, who were to share in agreed percentages in the coveted opportunities for public works. A vast "pool" or syndicate in which all the rival financial groups were represented, might be left to internationalise all the opportunities of monopoly in China on a plan which would give to each its allotted share in the risks and profits. The scheme worked badly in Morocco, and indeed created the friction which led to the Agadir incident. Something of the kind existed in China while the alliance of the banks of the Six Powers subsisted, and it eventually broke down. By this method friction may be avoided among the Great Powers, but China would be subjected to an intolerable financial dictation, which would be none the less oppressive because it was cosmopolitan. A third plan might in some cases be worth considering, though it has nowhere been tried nor even, so far as I know, proposed. The Powers might agree among themselves to recognise some special form of enterprise as a monopoly of each of them. Loans, for example, might be allotted to a French bank, railways to a German syndicate, and mines to a British trust. Such an agreement would avoid competition among the Powers, and it would not expose China to the

risk of partition which is involved when territorial zones are appropriated exclusively by a single Power. Each syndicate might be empowered to take over existing enterprises, or required to admit the capital of other nations in given proportions. The idea may be as objectionable as any of the others, but at least it would leave China territorially intact.

The problems raised by the export of capital have been considered in this chapter mainly from the standpoint of the creditor State, which sees its diplomacy involved in the process. We have found, so far, no solution which is satisfactory from the standpoint of the debtor nation. The inroad of foreign capital always means for it some loss of independence, and it has nothing to gain by agreements among competing Empires. It may, indeed, keep its independence by playing on their rivalries. Its shadowy autonomy vanishes when they come to terms. The pacifist and the nationalist are here divided in their sympathies. The former, thinking only of European peace, rejoices when Russia and Britain end their differences by the partition of Persia. The latter, seeing only that a nation has been destroyed, regards the agreement as a peculiarly evil development of Imperialism. Both are right, and both are wrong. The ideal expedient would preserve European peace without destroying the victim nationality. To propose that expedient requires an excursion into the realms of Utopian construction. We can propose nothing which seems feasible to-day, but a solution is conceivable which requires only an easy step in the organisation of

the civilised world for peace. The motives for the partition of Persia were rather political than financial. The object-lesson of Egypt, where the occupation had its origin in debt, is a more typical instance of modern processes. It happens that the Hague Conference has laid down a principle which is capable of fruitful extension for dealing with such cases as these. The Drago Doctrine, put forward by Señor Drago, a jurist and statesmen of the Argentine Republic, supported by the United States and eventually adopted by all the Powers, provides that no creditor State may use arms to enforce a liability upon a debtor State, unless a decision of the Hague Tribunal has recognised the liability and prescribed the method of payment. This doctrine, even as it stands, is of immense value to minor but civilised States like the South American Republics, Portugal and Greece, which may find themselves obliged to defer payment of an external debt. The Hague Tribunal would in such a case, if it realised its opportunities, act as a good County Court Judge would do at home—refuse to admit a merely usurious claim, and lay down terms and dates of payment which would admit of the debtor's recovery from any temporary difficulty.

But to defeat the more unscrupulous methods of the international usurer, this idea requires some amplification. It may be necessary for a debtor State, some grades below the level of Portugal and Greece in civilisation, to mortgage some part of its revenues, and to accept, at least over part of them, some degree of foreign control. That means, if the creditor

country has also political ambitions, the almost certain loss of its independence. There are also States like Turkey which stand in need of expert advice for the reorganisation of their finances, but dread the consequences of admitting any foreigner, who may perhaps think more of the interests of European finance and of his own motherland, than of those of the country which employs him. To draw the full advantage from the international machinery at the Hague, there ought to be evolved a permanent Credit Bureau to which weak and timid States might apply. It might conduct enquiries into their solvency, lend them experts to reorganise their finances, help them to negotiate loans in neutral markets on fair terms, and in case of need provide the commissioners who would control their mortgaged revenues. It would act as a trustee or as a Court of Chancery towards its wards. It could have no political ambitions to further, and the country which applied to it need not tremble for its independence. Persia or Egypt, had this Bureau existed, might have turned to the Hague for help. If, in the end, owing to civil war, or the hopeless incapacity of native statesmen, forcible intervention became inevitable, it would lie not with any interested Power, but with the Hague itself, to take the initiative of summoning a European Conference to prescribe the nature and limits of the interference. It is even possible that the Bureau might be used as an arbitrator at the request of a State like China, hard pressed by the rivalry of Empires competing for concessions, to decide between them in its name, and to appoint a neutral adviser or board of

advisers, who would stand between it and the greedy Powers in the allotment of its financial patronage.

A Europe which has organised itself for peace will be at no loss for expedients wherewith to reconcile the appetites of capital with the rights of nationality. A spectator of the moving cosmopolitan drama which is played, the world over, around this central motive of the export of capital, can readily invent attractive schemes for the regulation of the process. But such exercises tempt one to ignore the dynamics of the problem. The same primitive forces of greed which in earlier centuries inspired conquests and migrations are still strong enough to grip diplomacy and build navies. Our first task is to win at home the power to control this export of capital, to check it where it disregards the current ethical standards, to rebuff it where it would lead us into international rivalry, and at last to use it as the potent servant of a humane diplomacy. It can be forbidden to carry the devastations of slavery into distant continents. It can be checked in its usurer's practices upon simple States. It can be used, if it be firmly mastered, to starve into submission a semi-civilised Empire which meditates aggressive war, or draws from Western stores the funds to finance its own oppressions.

CHAPTER IX

ON ARMAMENTS

On the wall of a big room at the Admiralty there used to hang, and may still hang, an oddly decorated map of the world's seas. The decorations were movable points which indicated the varying positions of German merchant vessels. It was a map which could be used with great effect in conversation, and the effect was one which the Admiral whose pride it was, produced very willingly. Here he sat with the wireless installation on the roof above him, a genial, capable spider, with the world for his web. He knew every day the approximate position of every German ship. He knew a little more accurately where his own cruisers, scouts and commerce-destroyers and armed merchantmen were stationed. He had worked out to a nicety the orders which would radiate from the big poles overhead, if ever war were declared. The rapid arming of British merchantmen on the high seas played a great part in the scheme, and the official calculation promised that about four-and-twenty hours would suffice to make every German merchantman a British prize. The reckoning was probably optimistic, but it was delivered with great assurance, and the Admiral was convinced that the navy which

he commanded was an efficient predatory organisation. It was a flattering dream to indulge, and somewhere in the dimmer regions of the professional consciousness there may have lurked the recollection that such a sweeping of the seas, if it could be effectively carried out, would mean for the service that accomplished it, wealth "beyond the dreams of avarice." For the King's regulations make the value of a prize of war the "perquisite" of the crew which takes her. You may see in the Old Kirk of Haarlem a superb monument to a fortunate Dutch captain of the seventeenth century, who amassed an untold fortune from the pillage of English ships. The law of war still sanctions this legalised piracy. The prizes are richer, and the machinery of capture incomparably more effectual, but nothing else is changed.

The British Admiralty has a costly skill in advertising. It advertised the "Dreadnought" and our estimates show the result. It advertised that elaborate map, and the result was the growth of a set determination among the middle-class of the new industrial Germany, that a war which might cost it its merchant fleet, should not be lightly declared. The late Chancellor of Germany has put this from his own standpoint in a few telling sentences. (*Imperial Germany*, by Prince von Bülow, p. 18 of the English translation.)

> When in the spring of 1864 the English Ambassador in Berlin drew the attention of the Prussian President of the Council at that time to the excitement in England caused by Prussia's advance against Denmark, and let fall the remark that if Prussia did not cease operations the English Government might be forced to take arms against

her, Herr von Bismarck-Schönhausen replied: "Well, what harm can you do us? At worst you can throw a few bombs (shells ?) at Stolpmünde or Pillau, and that is all." Bismarck was right at that time. We were then as good as unassailable to England with her mighty sea power, for we were invulnerable at sea. We possessed neither a great mercantile marine, the destruction of which could sensibly injure us, nor any oversea trade worth mentioning, the crippling of which we need fear.

To-day it is different. We are now vulnerable at sea. We have intrusted millions to the ocean, and with these millions the weal and woe of many of our countrymen. If we had not in good time provided protection for these valuable and indispensable possessions, we should have been exposed to the danger of having one day to look on defencelessly while we were deprived of them. But then we could not have returned to the comfortable economic and political existence of a purely inland State. We should have been placed in the position of being unable to employ and support a considerable number of our millions of inhabitants at home. The result would have been an economic crisis which might easily attain the proportions of a national catastrophe.

In these sentences Prince von Bülow explains the origin of the modern German navy, in so far as it is the creation of German public opinion. Our Admiralty was ill-advised enough to supply the advocates of a great German navy with an object-lesson and an argument by the seizure of the German liner *Bundesrath* during the South African War. With the anger and alarm created by that incident there began a revolution in German habits of thought, and the Reichstag, which had always hitherto resisted the ambitions of the Kaiser, was now with ease induced to vote large programmes, and to increase them periodically.

We need not suppose that the fear of the effect of the British doctrine of capture at sea was the chief

motive of German statesmen in increasing the German Navy. Navies are valued by statesmen primarily as instruments of pressure held in reserve by diplomacy. Had the need of defending commerce been their guiding thought, the German Government would have made an attempt to ascertain whether on any terms the British Government could be induced at last to fall into line with the United States and other Powers, which have for a generation demanded the reversal of this barbarous doctrine. It has never taken that course, and there is some reason to believe that the German Admiralty has recently come to perceive the value of capture at sea. What is that value? The power to destroy an enemy's commerce is at the first glance a tremendous weapon of menace or aggression. It would be devastating in action, and it is only a little less valuable as a threat. But in the balance it can be of advantage only to the stronger Power, and one may question whether even that Power could draw great profit from it, unless its aggression were sudden and unexpected. If, as Mr. Arthur Lee stated in a speech to his constituents while he was a Civil Lord of the Admiralty in Mr. Balfour's Government, we dispensed with a declaration of war, following the Japanese and Bulgarian precedents, undoubtedly our fleet could dispose of a great part of the German mercantile marine on the first day of the unforeseen opening of hostilities. With a more regular and honourable procedure the advantage would be less, for Germany can also use the resources of wireless telegraphy, and manifestly large numbers of her ships at the first warning would

seek the shelter of a neutral port. The blow to the economic life of Germany which would follow from the suspension of her shipping trade, though very serious, would not be fatal. She can at need raise all the food stuffs she requires for her own wants, and she has railway communication with her allies (who are her neighbours), with Holland, and also with Belgium, whose neutrality is guaranteed by Europe. The loss to her industry from the stoppage or interruption in the import and export of its raw material and its produce would hardly be felt in time of war, for the first consequence of mobilisation would be that all the mines and factories which depend on male labour would be forced to work half-time or even to close down. Export in any event would cease on the outbreak of war. The loss to Germany would be limited to the risk of the seizure of her ships at sea and their cargoes, and the extent of that loss would evidently depend mainly on the suddenness of our aggression. If a long crisis had preceded a regular declaration of war, one may assume that the more valuable ships would either have taken shelter, or protected themselves by transference to a neutral flag. Some loss of course there would be, but it would be catastrophic only if Great Britain were the ruthless and unhesitating aggressor.

In attempting to answer the question, Of what value is capture at sea from the British standpoint? we are faced by a sharp divergence between commercial and naval opinion. Naval opinion is decidedly, though not unanimously, in favour of the doctrine. Commercial opinion, more particularly

in such centres as Liverpool, is as decidedly against it. Parties are divided, and a leading Conservative like Mr. F. E. Smith, who speaks for Liverpool, is in agreement with Lord Loreburn, who has presented the case against capture largely from the standpoint of a Liberal who desires to civilise international relations. It would be superfluous to attempt to summarise at any length a controversy in which all the arguments are familiar. The Admiralty's case, in one sentence, is that the capture of an enemy's shipping gives to a Power which has no army capable of attack or invasion, the only effective means of injuring an enemy. That argument, as we have seen, requires some reserves. The injury, to begin with, would be overwhelming only if our attack were sudden and unexpected, or in plain words if it were a deliberate aggression made before the resources of diplomacy had obviously been exhausted, before mediation had been attempted,and without a formal declaration of war. Few British statesmen would in public agree with Mr. Arthur Lee in recommending such a brutality as this. Further, it is untrue that "capture" is the only means of injuring an enemy. In the first place all the German colonies are vulnerable from the sea, and so long as our main fleet commanded the Home waters, some of them could be seized and held, if we so desired it, by comparatively small forces of British or Indian troops. In the second place the destruction of Germany's fighting fleet would deprive her diplomacy for a decade or two of one of its main sanctions. The argument used by all statesmen that armaments

are necessary to back diplomacy falls to the ground, if it be questioned that the loss of the German fleet would cripple her future action in world-politics. It is true that the fear of losing her mercantile marine must always make Germany reluctant to engage in a trial of strength with us. In that restricted sense, the maintenance of the doctrine of capture may help to prevent war. But the class which has most to lose is not the warlike class; the merchant community needs no such deterrent. To the warlike class in Germany, the Prussian ruling caste, the risk of losing colonies and warships would seem a graver misfortune than the loss of the mercantile marine. Moreover, if Germany did meditate aggression, she could with ease take precautions in advance against the greater part of this loss.

If the advantages claimed from a British standpoint for the maintenance of capture are problematical, the risks to which it might expose us are tremendous. However efficient and however powerful our navy may be, it cannot absolutely insure our mercantile marine against all risk of capture, and if the war broke out suddenly, its losses would be relatively heavy. The effect would be felt at once in the rise, first of insurance premiums, then of freights, and finally of prices. All the inevitable disturbance to banking and trade which any war must cause to any elaborately-organised modern community, would in our case be aggravated by the doubt whether our food supply could be maintained uninterrupted, and our factories steadily supplied with raw material. One may feel sure in cold blood that nothing worse than a momentary

interruption of any of our chief sea-routes is possible. But it is less easy to feel certain that public opinion, with its indices in credit and prices, would remain perfectly steady when the inevitable incidents began to occur. Some panic, some stringency, some privation there probably would be at the best. On the other hand, if any of the more romantic dangers which the popular novelist is fertile in inventing were ever to occur, and our fleet were for a time taken by surprise, or outclassed by some new invention, or outnumbered by an improbable combination, it is obvious that our own chosen weapon of capture could be turned against us with deadly effect. If victory were delayed, if the fleet had for any reason to fight a prolonged battle for the absolute command of the seas, our dependence on imported supplies would reduce us much sooner than our antagonist to a position in which we must sue for terms. The case for capture, whether from the British or the German standpoint, is, in short, extremely problematical, and to maintain it at all is to take a gambling chance. Germany, as the weaker power at sea, could gain by it only if she began the war suddenly and treacherously, if she evolved some new and deadly weapon, or if she brought about some wholly improbable combination of forces against us. Under normal conditions, the only gain to her would depend on our nerves; she might do just enough against us to make a panic, and against this small gain must be set the risk of a great though not fatal loss of wealth. We, on the other hand, stand to gain much, if the moment for attack were of our choosing, but much less if

the war were forced upon us. Disasters and unforeseen combinations may seem improbable, but in balancing gains and losses, we cannot afford to forget that, should disaster ever happen, the stoppage of our sea trade and loss of our mercantile fleet would instantly force us into a humiliating peace, from which we should emerge to face economic ruin.

If this be a fair summary of the probable results from the doctrine of capture at sea, it is puzzling that the directors of the British and German navies should maintain it. It is above all puzzling that they should both maintain it. If it must have a decisive effect in war, that effect cannot be equally advantageous to both. With half the world's shipping under our flag, one might suppose that our clear course, if we mean to thrive by commerce rather than piracy, would be to press for every reform of international law which would protect commerce. The Germans, content to possess a fleet which stands to ours nominally as ten to sixteen, and really as much less, ought, one would imagine, to reject a weapon which can be wielded with a balance of advantage only by the stronger fleet. Is the case really so doubtful that two Powers which apparently occupy opposite positions can reach the same result, when that result is obviously not the course of safety ? We have to deal with shrewd and capable men ; it is clear that there must be a good explanation of this riddle. It stares us in the face. Capture at sea is maintained by both navies, because it supplies the prime argument by which industrial and peaceable nations can be induced to maintain great navies. As a strategical device it is

of doubtful value to both, and if it is valuable to one, it must therefore be disastrous to the other. As a spur and lash to public opinion it is absolutely indispensable. The German Navy Act was passed by no other means, as the extract from Prince von Bülow shows. In our case we need only glance at current controversy. When Mr. Churchill and his friends, after securing a navy overwhelmingly and permanently superior to that of the only Power which could attack us, go on to demand more ships, what is their argument? It is that we must consider our "whole-world requirements"; we must remember that much of our corn comes to us from the Black Sea and India through the Mediterranean, and that commerce on its way to the colonies must be protected by local fleets. There is a good answer to this, but in all frankness it is a plausible, and at first glance, a weighty argument. In every country the instincts of civilised men are against armaments. We would nearly all of us, unless we have sons in the service or shares in Armstrong's, abolish armaments, if we could, or at least have less of them. There are few men who doubt in their better moments that war and armaments are absolute evils. Those whose interest or professional duty it is to maintain armaments, must force us to think that the evil is a necessary evil, and that we shall be ruined if we discard it. These capable minds study strategy. The more important part of strategy for them is not the alignment of embattled navies; it is the management of public opinion. They are at war not with Germany but with the instincts of civilisation. The chances are

that they never will be at war with Germany, but the battle against civilisation grows every year more difficult. The more one studies this enigma of the maintenance of capture, the more does the conviction impose itself that this monstrous and barbaric practice is upheld solely because public opinion would become unmanageable without it. That is why it is equally useful to Mr. Churchill and to Admiral von Tirpitz, to the stronger and also to the weaker fleet, to the Power with the greater, and to the Power with the lesser stake. It is in itself an affront to every civilised instinct. Modern peoples conceive of war as a quarrel between governments, but this is a predatory plot against the property of individuals. The individual naval officer is by this doctrine authorised to rob the individual merchant of his ship and its cargo, and to sell them for his personal profit. Such practices were once permissible and common in land warfare ; they are now rigidly forbidden. Every argument which tells for the capture of private proverty at sea, might be used as legitimately in defence of unlimited loot on land. One might just as plausibly say that if a nation knew that the price of defeat would be the sacking of its cities, the slaughter of non-combatants, and the violation of women, it would think twice before it went to war. But the deterrent never works in this way. No nation voluntarily goes to war in any circumstances unless it hopes to win. The expectation of loot was in more barbarous ages a potent incentive to war, and within certain limits one must suppose that the doctrine of capture acts in the same way, in so far as it acts at all as a motive.

But its real operation is not in making wars. Wars are not the world's chief danger to day. What it helps to make is the everlasting war of steel and gold, the constant struggle with mounting budgets and lengthening lines of armoured ships. Abolish the doctrine of capture, and at the first blow navies might be vastly reduced. We in this country would have most to gain. Gone would be our anxiety about our long lines of communication and our scattered fleets of food-carrying ships. The talk about "world-wide requirements," exaggerated even now, would then have become patently foolish. With this fear removed at once from our mind and from those of the Germans, the problem of naval armaments would be faced in a wholly new atmosphere. Our navy would have been restricted to what ought to be its only function—the defence of our coasts from invasion. Our rivals, realising that it no longer threatened their commerce, would in their turn have to ask themselves why they require a navy. They can deal with an invader when he lands, or while he is landing. In both countries the chance of defending vast navies on the hypocritical plea that they are purely defensive, would have become less promising, and an arrangement to reduce them would in every country encounter less suspicion and less resistance.

Our opponents have their strategy ; we must have ours. The first step towards a reduction of armaments is to divide those who now support them. They fall into two classes. Much the greater number both in Britain and Germany is composed of those who in their hearts neither desire war nor enjoy

paying for armaments. They act under pressure of a supposed necessity, the defence of commerce. To this class belong most of our merchants and manufacturers in the middle-class, and all of the working-class which is by custom or temperament Liberal or Conservative. To the other class belongs the caste which governs and finds employment in the Empire and the services, and the larger financial and investing world which sees in the navy an insurance for its capital exported abroad. It is this latter class, a large and growing class, which is the enemy. It is rich, capable, and influential, a formidable antagonist even when it stands alone. But at present it does not stand alone. It has cleverly contrived by the artificial and anachronistic doctrine of capture to rally to its side both in Britain and Germany, the peaceable middle class which wants no adventures, hates war and looks askance at armaments. Abolish capture and this class regains the possibility of following its natural instincts and its clear interests. Our problem is not, as pacifists too readily suppose, how best to influence disinterested opinion. No mass of opinion can under present conditions be disinterested, save that of the proletariat, which is nearly powerless. But the interest in defending its ships and cargoes from capture, which on the whole ranges the mercantile and industrial class on the side of armaments, is artificial and unnecessary. This class can be detached by the simple expedient of bringing the customs of sea-warfare into line with those of land-warfare, in a word, by abolishing the doctrine of capture. Before this Government fixes its policy at the next Hague

Conference, Parliament, if it respected itself, would insist on the preliminary discussion of this question. If the Radical Group and the Labour Party realised the vast importance of this issue they would not hesitate to declare in advance that they would back their opinion by a vote. The abolition of capture is of incomparably greater consequence than the reduction which may be brought about by agitation in the naval estimates of any one year. It is the key to all future reductions. A reduction at present is out of the question and never has been won. All that can be won by efforts that avoid this main issue is a diminution in the rate of increase. The centre of our battle is here, and the position will be lost, if our delegates are once more allowed to go to the Hague with the old instructions.

There is another step which might well be taken at once, in the hope of detaching interests from the forces which make the armed peace. Pacifists tend to argue that the armament firms are the only interest or the chief interest which maintains armaments and war. It has been the purpose of this book to show that the chief interest is something far more powerful, far more considerable, and much more widely diffused than the traders in war possess. It is the interest of the whole class which exports capital abroad. But it would be folly to ignore or minimise the direct interest of the trade. It is an interest which happens to be firmly entrenched in political circles, and as the exploit of Mr. Mulliner shows, it is a singularly alert and energetic interest. If public life continues to develop on the present lines, the great scandal of to-morrow

will be a discovery that the Liberal Party Funds have been invested not in Marconis, but in Krupps. The way to meet this evil is so simple that one need waste little space in discussing it. Every one can see it, and every one will see it, when they choose to see it. The father of individualistic Liberalism, Adam Smith, himself admitted that there is one monopoly which ought to be in the hands of the State—the manufacture of arms. If the State arsenals and dockyards forged our armour-plate and built our ships, there would, at all events, be no direct interest with a stake in the increase of armaments. There is no question that the State can do it. It builds ships still, though in constantly diminishing numbers. Nor would there be any difference in the quality of the brains employed. The great firms are glad to engage our admirals as directors, when their term of service is expired, and the great naval architects are employed now by a firm and then by the State. The obvious argument that competition secures lower prices can no longer be maintained, for the great firms have formed a close ring. Indeed, the case for nationalisation deserves to be considered, if only that the State may free itself from the domination of this ring. It has become so powerful that the State now neglects to keep its own arsenals, factories and yards employed, and actually hands over to contractors work for which it possesses itself all the necessary plant. The first step is to insist that the existing yards and factories shall be fully employed, and the next to take over from private hands one or more of the best equipped yards, so that the whole work of the

State may be completed by its own resources. Until this is done, we shall always suffer from the occult and interested pressure of a small but powerful group of contractors and investors whose profits depend on the maintenance and grow with the increase of our armaments. Were this done not only in Britain but in every country of Europe, there would be within a year a surprising diminution in the demand for armaments. Newspapers in some inexplicable way would lose their keenness in manufacturing scares, while the Navy League and the Flottenverein would be left lamenting the decline in their subscriptions.

The problems raised by the army are in our country of secondary interest, and they have at present comparatively little bearing on the relation of armaments to opinion. The whole conception of the Expeditionary Corps calls for criticism, but it is useless to attack it while our diplomatic position is what it is. This corps is governed by the idea that it may have to serve on the Continent as an auxiliary force to a French army defending the northern frontier against a German invasion. So long as our exclusive intimacy with France continues, and so long as we pursue the phantom of a balance of power, such a force will be necessary. Given these premises, it is, indeed, an absurdly small force for the purpose in question. It would, however, be an utterly excessive provision for our needs, if we entertained no thought of intervening in Continental warfare. Second in importance to the Expeditionary Corps stands the force which we maintain in India. Its size is really determined by our

political policy there. As we continue the programme of the Delhi proclamation, our rule in India must become gradually less dependent on the sword in a white hand. The ideal of self-government, however slowly it is developed, must in the end mean that India will provide for her own defence and her own police. Every step towards the realisation of that ideal is also a step towards the time when the Anglo-Indian army may be reduced and even abolished. A party of reform which aimed at cutting away the buttresses of interest which maintain the present level of armaments, would turn its attention also to the native regiments in India. A system which refuses to Indian soldiers any rank above a subaltern's, means primarily that a great number of positions are kept in these regiments for British officers. These positions are among the perquisites of Empire, and their maintenance reinforces the caste feeling at home which tends to maintain and extend Empire. Open these positions to natives, and our own governing class will lose one small contributory motive which goes to make it Imperialist and militarist in sentiment. What is true of India is equally true of Egypt, though everything there is on a smaller scale. South Africa is another point at which an economy might be effected. A Dominion so absolutely self-governing that it cannot be checked even when it affronts every instinct of our race and every principle of citizenship by sending Labour leaders into exile untried, has no right to ask the Empire for a contribution towards its own defence. It has the protection of the navy, while it escapes the burden of taxation. It no more needs the assistance of the

army than do Australia and Canada. It ought to be possible to withdraw these troops and to reduce the army by a number equivalent to theirs. These however, are minor questions, and their influence on opinion is slight. It is hardly possible to hope for any great change in the scale or cost of the army, so long as it remains primarily a force for service abroad in a scattered Empire.

Some pacifists are tempted to look in one form or another at proposals for the creation of a home defence force based on compulsory service. If it were possible to hope that this might become our principal and ultimately our only armed force, the scheme would be attractive, if it did not involve prolonged service in barracks, and would answer to a healthy ideal of a citizen's duty. One dreads, however, the use which would be made of it to inculcate conceptions of blind obedience, automatic discipline and social subjection. But the main objection to it is that it would certainly be, while our present political conditions endure, in no sense a substitute for the navy and the overseas army, but an addition to them, and a further burden piled upon the present cost of the armed peace. To give any countenance to this proposal at present is an excessively risky strategy, which may well lead, not to a decline, but to an immense increase in militarism. When the navy has been reduced to the comparatively modest dimensions which would suffice if capture at sea were abolished, when the army has been cut down by the abandonment of the struggle for a balance in Europe and the gradual emancipation of India, it will be time enough to urge that a citizen army would

be the most self-respecting form of national defence. Paradoxical as it may seem, universal service in a citizen army, for short terms of service without the brutalities of military discipline, and with the minimum number of professional officers, is the true pacifist ideal. Professional armies, whether on land or sea, are an offence against democracy and against human dignity. But pacifists would do well to see their way to the drastic reduction if not the abolition of mercenary armies, before they begin to smooth the path for the creation of another force which under actual conditions would certainly be used to further ambitions that are not theirs.

We have dealt with certain aspects of the problem of armaments in which it directly touches public opinion. Clear away the artificial stimulus to the creation of great navies which the doctrine of capture supplies, remove the incentive which the traders in war possess to manipulate the moods and convictions of a democracy, and some of the superfluous obstacles will have vanished which now prevent the reduction of armaments. Allow that this has been done, and the question of ways and means still remains. Is it reasonable to hope for a limitation by agreement in the present condition of Europe? If politics were governed by cold reason, it ought to be so. It is not the absolute strength of navies and armies which determines victory, but the comparative strength of the two combatants. If the ratio of the British and German fleets were really fixed at sixteen to ten fighting ships, the result would be the same, however far the reduction went. Restrict the two Powers to eight and five capital

ships apiece, and it is obvious that they would enter a conflict with exactly the same chances as they do to-day, when the Dreadnoughts built or building approach the forties and the thirties. It will be objected that the breadth of the seas, the length of our lines of mercantile communication, and the magnitude of the commercial fleet which our navy has to protect, establishes for us something like an absolute standard: we must have ships enough to be able to scatter a certain number over all the seas. This argument, however, would have little cogency if the practice of capture were abolished. One may admit that geography does for certain Powers establish something resembling an absolute standard. Russia must have two fleets, one for the Baltic and one for the Black Sea. France was in the same case, until her confidence in us (a confidence which rests, we are told, on no treaty), enabled her to withdraw all her fighting ships from the Atlantic, to concentrate them in the Mediterranean. The United States has had in the past to consider both the Atlantic and the Pacific, though the Panama Canal will presently make them in effect one sea. With such geographical factors to reckon with, it is obvious that for each Power there is a certain minimum. Russia (to take the clearest case) builds in the Black Sea solely against Turkey; in the Baltic she has to consider Germany, and her obligations to France. Theoretically the balance of naval power would be the same in Europe if all the fleets were simultaneously reduced by one-half or by nine-tenths. This alluring yet elusive truism inevitably haunts the minds of pacifists. The interests of contractors and

younger sons may be the chief reason why we never wake up one morning to learn that this beneficent operation has been carried out by some magical impulse of common-sense. But it is not quite the only reason. There is the troublesome geographical difficulty. There is also, above all, the financial disparity between certain Powers. There is an advantage for a rich Power in raising the scale of preparation for war. To put the matter crudely, we know very well that if fleets once sank to eights and fives, Germany could afford by a sudden effort to raise her five to ten. On the other hand we reckon that while the actual numbers stand at the forties and the twenties, she lacks the means to exceed her present limit. If geography lays down a minimum for every Power, finance limits the maximum. The same thing is true of armies. In one sense every European Power has reached the maximum, because they all long ago adopted universal service for every able-bodied man. But the term of service varies in length, and in poor countries the full legal term is not always exacted. When France last year raised the term of service from two to three years, in order to have a larger force always with the colours on her eastern frontier, she took a course to which Germany might retort in kind. If the Germans should in their turn raise the term of service, their superiority would once more be crushing. But the French reckon on their financial advantage, and speculate on the reluctance of Germany, deeply involved in naval expenditure and hard pressed to reconcile her taxpayers to their burdens, to take so drastic a course. It may turn out that the French

reckoning is at fault, but in a desperate strait it seemed a hopeful gamble with chances. It is such considerations as these which maintain the present level of competition in the war of steel and gold. There is for some Powers an advantage in forcing the pace and raising the scale, and that is the main reason why it would be chimerical to propose, in the present posture of the struggle for a balance, that the world's fleets should be halved, or the service-time of conscript armies fixed (let us say) at a year. That is no reason for desisting from such proposals. But it is well to realise in advance the objections (often unspoken), which they are certain to encounter in the minds of the world's rulers.

It is still a new experience for Englishmen to think in terms of a Continental system. The present generation grew up in "splendid isolation," and the fact which has impressed itself on all our minds in recent years has been not so much that we are a member of the Triple Entente which is at issue with the Triple Alliance, but rather that we are involved in a ruinous naval rivalry with Germany. Inevitably all our thoughts about the reduction of armaments turn to the navy, and base themselves on Anglo-German relations. It is a dangerously insular habit of thought. For good and evil we are embraced in a Continental system, and if we mean to treat separately with Germany, we must begin by quitting this system. While we remain within it, we cannot afford to neglect the views and interests of our partners. By all means let us quit a combination which we ought never to have entered, but what we do should be done deliberately and openly

More than once proposals for reduction have been publicly and officially made on our side, and on each occasion they have called forth vehement and not unreasonable protests from the French press. The French see in any arrangement which would permit Germany to economise on her navy, a plan which would enable her to spend the more upon her army. In plain words, if she were to cease her spendthrift building of Dreadnoughts, there would be nothing to prevent her from raising the term of service with the infantry by six or twelve months. The French attitude is frankly egoistic, but so is ours. The worst of such egoism is that it can only aggravate the European unrest. We profoundly desire a relief from our own naval expenditure, but as good Europeans we cannot wish that the result should be an acerbation of the military rivalry on the Continent. It may be well to add that it was not for this reason that our proposal failed. Mr. Churchill's "Naval Holiday" met with no response in Germany, first of all because he was content to make his "offer" in public here—with the manifest intention of disarming his Liberal critics, and took no steps whatever (so Admiral von Tirpitz has stated) to convey it officially to the German Government. It failed, secondly, for the even simpler reason that it was, in plain English, a thoroughly dishonest offer. While he undertook to cease building against Germany for a year, he reserved to himself the right to accept ships from the colonies, and to build ships for use in the Mediterranean. The Germans know very well that in case of need both the colonial ships and the Mediterranean ships would hurry under forced

steam to join the North Sea fleet. The same exceptions vitiate Mr. Churchill's 16 to 10 ratio.

While the present grouping of the Powers continues, the problem of armaments cannot be split up into a Franco-German and an Anglo-German problem. It is a European problem. Every Power is under obligations to its allies or partners, and separate arrangements can hardly be considered, unless these alliances and understandings have first lapsed. It follows that the naval problem cannot be treated in isolation from the military problem. If armaments are to be arrested or reduced by agreement, the understanding, one is inclined to think, must embrace the Six Great Powers, and it must cover armies as well as navies. Possibly the most hopeful proposal which could be put forward would not attempt to lay down rules for the building of ships or to define the terms of military service. It would look broadly at the expenditure upon armaments for sea and land. It would provide that for a term of years no increase should be made by any Power above its present armaments budget under either head, or, better still, that these totals should be reduced by a certain percentage. Even this is not a wholly satisfactory formula. No two Powers reckon their expenditure on exactly the same system, and confidence could hardly be preserved unless loans to meet current expenditure were rigidly forbidden. But the chief difficulty would not lie in defining the formula. It would begin when the Powers looked anxiously round to discover whether rivals were not evading the agreement to maintain armaments at the present level. When one begins

to reckon, not in terms of single Powers but in terms of groups, there are clearly two ways of increasing one's military resources. One may add a few corps to one's own army, or one may acquire an ally. If after concluding an agreement not to increase his own Budget, Mr. Churchill were to persuade the Malays or the Canadians to build Dreadnoughts for him, the Germans would rightly feel that they had been cheated. It was the suspicion that the Balkan League was really an auxiliary force attached to the main Slav army of Russia, which was adduced by Germany as a reason for increasing her army in 1913. Sweden or Roumania might conceivably attach themselves to the Triple Alliance. The Young Turks have been in a chronic position of comfortless detachment ever since the Revolution, and have offered themselves in turn to each group. Spain is or was a semi-detached partner of the Triple Entente. In short, an agreement among the Great Powers to arrest or reduce armaments would be subject to grave suspicion, so long as the struggle for a balance of power continues. If one group added to its strength by acquiring even a minor ally, its rival would feel that it could no longer be expected to refrain from balancing this gain by increasing its own armaments.

The moral is that armaments depend upon policy, and in our day not on the policy of single Powers, but on the aims and conduct of coalitions. One readily discerns certain preliminary steps which must be taken if we would prepare public opinion for their reduction. The aim of this book has been to analyse the permanent material factors which

explain the competition in armaments. We found the main cause in the effort to adjust the balance of power in such a way that the capital of the Powers which attain a balance favourable to themselves, may be exported with advantage to distant regions where it will enjoy a monopoly. It need not surprise us to find that when we attempt to solve the problem of armaments in isolation, we are promptly confronted with a more difficult issue. It will not be solved until Europe substitutes the ideal of a Concert for the attempt to reach an unattainable and unstable balance of power.

CHAPTER X

THE CONCERT OF EUROPE

In the early phases of the Peace Movement, Arbitration seemed to be the one remedy that was needed for the nightmare fear of war and the sedentary incubus of armaments. Young movements are always hopeful, and it is only after long years of disappointment that they realise the whole extent and complication of the mischief with which they are contending, and revise the expectations which they founded on their first prescription. The defects of arbitration as a substitute for war are better understood to-day, and indeed most writers and speakers who use the word now have come to give it a broad and general meaning, which covers any appeal to reason. It is the antithesis to brutal force, and it is generally understood to include mediation or indeed any settlement by the intervention of disinterested parties. The obvious difficulties are sufficiently familiar. There is no means, while we continue to think of States as isolated units, by which a reluctant Power can be brought to accept arbitration or even mediation. Mr. Kruger proposed it before the South Africa War, and there was no appeal open to him from the refusal of the British Government. The media-

tion of Russia on the eve of the second Balkan War had actually been accepted, in word at least, by all the Balkan States, when King Ferdinand and General Savoff suddenly began hostilities by what they doubtless considered a bold Bismarckian stroke. The other obvious difficulty, that one party or the other might disregard the findings of the arbitrator, is probably less serious. From the moment that arbitration had been accepted, passions would subside, and few States would enter the international Court unless they intended to obey it. So long, however, as governments reserve points of honour and vital national interests as questions unfit for arbitration, this expedient cannot be regarded as an established substitute for war. The honour of nations is a tempting theme for satire, but this reservation does, in fact, point to the real inadequacy alike of arbitration and of mediation.

Arbitration is a judicial process, and it cannot in international affairs achieve more than the civil law accomplishes in a civilised State. We trust our courts to interpret statutes, to adjudicate on contracts, and to deal with money claims. But we do not allow them to legislate for us, or to determine national policy. A Court may decide whether John Smith owes £100 to Patrick Kelly, but it is not allowed to determine whether a nation of Smiths owes Home Rule to a nation of Kellys. The same manifest limits apply to arbitration in international affairs. There is a great range of disputes which are judiciable, but it includes rather questions which might with ill-will be used as a

pretext for war, than questions which any two nations in their senses would seriously consider worth a war. It is probable that the limits of arbitration, in the strict sense of the word, have been reached already, and that civilised nations will usually resort to it when disputes over judiciable questions arise between them. One may and ought to arbitrate about the interpretation of the wording of a treaty, about the delimitation of a frontier which has in any sense been fixed in the past by usage or agreement, about liability for debts, about compensation for injuries, and about such international police cases as the North Sea outrage and the Casablanca broil. But it would be a rash claim to say that any one of the recent wars could have been settled naturally and properly by judicial arbitration. Could a Court of Jurists have examined the title of Spain to rule in Cuba and the Philippines, determined whether a degree of oppression existed which justified revolt, and finally pronounced on the right of the United States to intervene? These are questions which transcend law. They are questions of morals and sentiment, and where they touch interest, it is the interest which no contracts can define. Between Russia and Japan, in the dispute over Manchuria and Korea, a Court could only have said that both of them were interlopers and that neither had a shadow of legal right. It would have been as hopelessly beyond its depth in the Moroccan, the Persian, or the Balkan questions. It might indeed have settled the interpretation of the secret treaty of alliance and partition between Servia and Bulgaria, but any civil Court

in such a case would declare that such a contract, for the division of another country's territories, is against public morals and therefore null and void.

Where arbitration is manifestly inapplicable, there remains, fortunately, the method of mediation. A mediator differs from an arbitrator mainly in this, that he is not bound by legal principles. His decision will not make a precedent or govern future cases. He renders no judgment. He acts by the light of common sense, and will usually content himself with proposing, as a friend of both parties, a compromise which will do substantial justice, so far as possible, to both their claims, and avert war by saving what they are pleased to call their honour. Oddly enough, though the Hague Convention actually enjoins upon neutral Powers the duty of offering mediation to avert a quarrel, there has been no successful instance of its use in our day. The Tsar's action in the Balkan quarrel was rather mediation than arbitration, and it failed to prevent war, presumably because both sides were confident of their ability to win in a trial of strength, and also because neither of them trusted the impartiality of the Russian Government. It may be premature to doubt whether mediation as a means of avoiding war has a future before it. It certainly has no past. It is an untried procedure, and there clearly are some reasons why States which have a vital issue at stake should be reluctant to rely on it. A jurist is at least expected to act on fixed principles which he applies to a given case. But a mediator must interpret not international law, but international

morality. It is a large trust to repose in a foreign monarch or in the minister whom he may name to act for him. It is not easy in such cases to discover a neutral who will inspire equal confidence in both parties. The result, if this method of settling disputes became common, would usually be a compromise which neither party would consider satisfactory. To dictate a settlement which may have to be bold and far-reaching, to sanction, conceivably, some rather novel and revolutionary principle in international politics, and perhaps to send one of the disputants empty away, it is clear that there must be a strong and independent mediator, whose decisions inspire respect, a mediator powerful enough to ignore the discontent of the unsuccessful State. It will rarely happen that any single Power satisfies these conditions. The ideal mediator, in short, is no one Power, but a Council of all the Powers. Such a concert or Council of Powers is comparable not to a Court of Law or to a private mediator, but to a Federal Government or Council, which is expected to take broad decisions of policy in the name of the common good. It has to decide, where there is no question of legal right at issue, what solution will best serve the interests of humanity as a whole.

It may seem to require a bold faith, in the last pages of a book which has traced the egoism of contemporary Powers, to suggest that the world's final hope of peace depends on bringing all these egoisms together into a Council, where they must struggle together to elaborate a disinterested solution. Unluckily for the idealist, the Concert exists

in name, and has a history. "Where" the student of history may ask, "where from the Congress of Vienna to the Council of London, has it justified this touching faith? Did not the Congress of Vienna amuse itself by defying those aspirations of nationality which a series of triumphant revolutions was to justify? Did not the Congress of Berlin hand back to Turkish misrule those provinces which have only now been 'liberated,' after a generation of misery and two wars of unexampled horror? Did not the Conference of London preside over the frustration of its own decisions, and sit idly by, while war followed war to advertise its impotence? A pretty device for preventing wars, forsooth. It has been in history nothing but the instrument for scattering the dragon's teeth. The recognised function of a Concert is to prepare the wars of the day after to-morrow." The indictment is only too well founded. One listens to it unconvinced, as one listens to denunciations of any institution which blunders humanly, while destiny still points to its function. In such terms as these a cold critic of history might have denounced the Parliament towards the close of the Stuart period. "Did it not make a civil war? And when it once more raised its head, it was to make a revolution. A pretty instrument of civil peace, forsooth. It makes the laws and conspires to overthrow them." In just such terms as this men used to speak of the Republic in France. But we do not doubt to-day that both institutions are guarantees of civil peace. One cannot speak with enthusiasm of any chapter in the record of the Concert, but it is commonly

said, and generally believed, that the Conference of London at least achieved the considerable feat of preventing an outbreak of war between the Great Powers. If that is to ascribe to it a too active *rôle* and a degree of authority which it hardly possessed, it would certainly be true to say that when Austria and Russia were on the brink of war, each dreading war, and each shrinking from making concessions directly to the other, the Concert supplied them with a formula and a procedure that rendered concessions honourable and easy. Two Powers which might never compromise, if they were left alone face to face, may readily show a reasonable disposition, without loss of prestige, when they consent to become members of a common Council which claims to base its decisions on a regard for the common good. How far Sir Edward Grey, with the aid of Germany, acted as a mediator, how far Austria and Russia really settled their differences directly under the soothing influence of the formula of a Conference, no outsider can know. The general belief ascribes much to Sir Edward Grey's good offices, and he has himself attributed much merit to Germany. In either case, it is clear that the Conference did achieve precisely what a Concert ought to achieve. The creation of a free Albania stands to its credit. If the second Balkan War broke out, that is not a proof of the futility of the Concert. The discredit for that disaster belongs, in so far as any one outside the Balkans is to blame, primarily to Russian diplomacy. One need not assume that if Sir Edward Grey had invited the disputants to refer their quarrel to the London

Conference under his direction, he would have failed, as the Tsar did, to avert war.

A philosophic historian will demonstrate with much conviction, after the fact, how inevitable was the evolution which constituted the modern national State out of its minor components. We do not doubt that it was a beneficial and necessary process which made the United Kingdom, or consolidated Italy, or built up the German Empire from its constituent States. We, who are involved to-day in a much slower and as yet less conscious process, may still see, perhaps with less assurance, before the event, that factors are at work which are moulding a Europe that will learn to act as a unity. One need not speak of the dream of a United States of Europe, though it may possibly be some federal organisation so closely knit as to deserve that name, which will in the fulness of time emerge. A measure of unity much less compact than that would suffice to make wars obsolete; and to end the folly of competing armaments. The minimum which is required for such an end is an organisation based on the model of the London Conference, but less restricted in its scope and more permanent in its aims. What was done for the Balkan crisis must be done in every crisis which threatens to embroil the world. We need not trouble ourselves to consider where it will sit, nor who shall summon it, nor what statutes, if any, will guide it. An institution which grows in response to a need will prove itself in action, and can evolve under the pressure of circumstances. The only indispensable condition for its growth is the European mind, which recognises that a

common ideal of civilisation demands its organs, and is intolerant of chaotic strife. Amid the fears of the world and the alarms of war, in spite of predatory interests, and the indolent scepticism of little minds, we can discern factors which are making for this evolution. Of the factors of opinion it is hardly necessary to speak—the disgust with our present plight which is the common mood of most educated minds, the puzzled, compromising, yet wholly sincere good will which is the usual profession of Liberal parties throughout Europe, the conscious indoctrinated sense of class-solidarity which knits the Socialists of all advanced countries in a vast league of peace. But beyond all this, there are non-moral forces which are working towards the same end. It becomes with each year and each decade more difficult to regard any considerable and dangerous issue as the affair of two Powers alone, who may be left to "fight it out" with their blood on their own heads. Every Power in Europe is, to begin with, a member of a Group, and even if the issue in question does not oblige the others to share in the hostilities to which it may give rise, they cannot afford without an effort to see their partner pre-occupied, weakened by a struggle, and perhaps defeated. To that extent the system of alliances, which seems at a first glance only to dig a chasm in Europe, does make for a certain perverted and paradoxical solidarity. If the Powers are as yet incapable of a broadly European outlook, if they do not realise the fraternity which in every issue would make them the brother's keeper of any member of the European family, each is of necessity

its ally's keeper. Three Powers, at least, are to-day world-Powers, with interests or ambitions so wide-spread that nothing which can happen anywhere can find them quite indifferent. The stoic *nil humanum a me alienum puto* is a moral ideal beyond modern diplomacy. But a Power comes near it in effect when it declares that every human issue touches its interests. Our own country, by reason of its trade and its scattered possessions, has been for many generations the type of a world-Power. France by the intricate permeation of her investments is in the same case. Germany has in our day claimed this status, and built a navy to enforce it. If Russia's interests are not world-wide, they do at least cover a vast area. The Moroccan question was the test case which demonstrated that in the modern world it is henceforth impossible for two Powers to settle a considerable issue without considering the views of their neighbours. After that experience the choice is clear. It lies between such perils and confusions as the vain attempt to exclude Germany from the settlement caused in fact, and a frank recognition from the start that "world-politics" are a matter for the Concert to settle.

Midway in the Moroccan quarrel, the Kaiser, in one of his more truculent speeches, remarked that nothing must happen in the world "without Germany." This claim to be consulted in every world-event may be, and doubtless in the Kaiser's mouth it was, simply an expression of political high spirits. But the maxim is capable, in the Kantian phrase, of being universalised. It lays

down the basis on which a real Concert of Europe might be founded. Let us say rather that nothing should happen throughout the world without the consent of all the civilised Powers. We should, perhaps, exclude America, since the Monroe Doctrine makes it a self-contained continent. We may also admit that, for practical purposes, the Concert will not in every instance be the same. Japan has no status in a European, nor Austria and Italy in an Asiatic question. But the meaning of our principle is clear. There ought to be no change in the *status quo*, which means the acquisition by any Power of rights over another State, however backward or weak, without the consent of the general body of civilised opinion. It is obvious that this principle, and this principle alone, can set a check upon lawless aggression, appease the rivalries of predatory Powers, and create a tribunal to which the weak may appeal. It will be objected that this means the constant meddling in questions which do not concern them of Powers which have no real "interest" in some given region of the earth. When Germany claimed a voice in the Moroccan affair, Britain and France retorted that she is not a Mediterranean Power. A like answer would doubtless be returned if she were to obtrude her opinion at some phase of the Persian crisis. But, to our thinking, an opinion gains in value precisely in so far as it is disinterested. What a monstrous theory it is that Britain and Russia, simply because they have considerable material interests, political, strategic, and mercantile, in Persia, should have the right to dispose of the destinies of its people.

Just because they are bound to think of their own interests, rather than the good of the Persian people, are they incapable of fulfilling their assumed task. British financiers have lent money to Egypt, and therefore British administrators are held to be the proper persons to conduct the education of Egypt. There could be no more immoral or unreasonable proposition than this. John Smith, let us suppose, has been made bankrupt for a debt to some Amalgamated Dynamite Trust, and has gone to the mad-house in despair. Does it follow that the Trust should be made the guardian and tutor of John Smith's children? We can usually find in modern diplomacy a precedent for any principle, even for the wider and humaner principles. There was, in 1905, a phase of the Turkish question when the Powers were discussing who should take the initiative or the main responsibility for the reforms in Macedonia. Austria and Russia, because they are the neighbours of Turkey, claimed to be the "interested" Powers, and demanded the right on that account to carry through a scheme of their own. Lord Lansdowne, in a memorable despatch, challenged this claim, both in theory and in its particular application, and vindicated the right of the disinterested Powers to a parity of control over Macedonia. He was emphatically right. Austria and Russia, because they were interested, were certain to pursue only their own interests. The other Powers have occasionally allowed some fitful regard for the interests of the peoples of Turkey to influence their policy. The Concert of Europe is a very slow and very fallible

instrument of justice. It has sanctioned many a wrong, ignored many a misery, and proved itself in crisis after crisis, nerveless, lethargic and unintelligent. But with all its faults it is a check upon the ambitions of any single Power; it cannot be captured by any one national group of financiers, and it has, on occasion, at least affected to listen to the pleas of the subject races or lesser States whose fate hung in the balance.

The fundamental basis in the theory of a Concert is that interests must not be confused with rights. No Power has any rights over another people. The Moors, the Persians and the Bosnians alone have rights in Morocco, Persia and Bosnia. To an act of barter between interested Powers we must refuse the sanctity of law. If change is inevitable in the status of any people, it is the Common Council of the civilised world which alone can sanction it. We must go on to say that the formation of alliances among the Powers is an act of treason to this ideal of a Concert, because they stand in the way of any decision based upon the merits of the case. The Concert ought to decide what would be best for Morocco, Persia or Bosnia, as the case may be. It cannot do this if Britain is pledged to think only of what will be best for France, and Austria only of what will be best for Germany. Groupings of Powers are, of course, inevitable. But they should resemble rather the coalition of parties in a Parliament than the old-world dynastic alliance. Their basis must be a community of principles and opinions. On one condition only should we reluctantly approve of a temporary alliance. If any

Power or group of Powers seeks to evade the control of the Concert, refuses to submit common European affairs to its judgment, defies the decisions reached at a Conference, or seeks to impose its will on others without a mandate from the Common Council, it would be legitimate to combine against it, to "isolate" it, and to make it impotent for evil. Let this principle once be acknowledged and the chief motive for armaments in gone. Armaments are the means by which Powers seek to obtain immunity and opportunity for expansion. But if expansion itself is dependent on the consent of the Concert, armaments have lost half their utility. It would, of course, be folly to suppose that the acceptance of this principle of the supremacy of the Concert would at once create harmony, and bring about a reduction of armaments. But it would at once achieve this —it would make a standard for the conscience of the civilised world, it would provide an objective test by which the loyalty of any policy might be tried, and above all it would supply a common ground on which all the parties of peace might take their stand. It would conduce to a gradual slackening of the European tension, a gradual loosening of the existing alliances, and in time create an atmosphere in which a proposal for the reduction of armaments, and eventually some scheme for the creation of a loose Federal Council to decide the common affairs of Europe might at least be considered.

To sketch Utopias which as yet have only a few stones of their foundations in reality is apt to be a demoralising exercise of the fancy. But from any statement of the ideal we return with a sharper

sense of the faultiness of the actuality. A Concert we cannot have while the Powers are divided in two unnatural groups, which struggle for a balance without even a political principle to make an intelligible division between them. These groups may come together at present for deliberations which have a show of friendliness, but a real debate is impossible so long as the attitude of each Power is fixed by its alliances. An allied Power in the last resort must always be prepared to say "my ally, right or wrong." A disinterested arbiter in this strife can never be found. It would, however, be an error to regard even this state of things too pessimistically. No alliance is always equally valid and equally observed. Great Britain broke away in some degree from Russia and France when she assisted in the creation of Albania. Italy, to some slight extent, held aloof from the Triple Alliance during the conference over Morocco at Algesiras The most fateful of all these developments has been the recent approach of Britain to Germany through several phases of the Balkan crisis. Each was resolved to keep the peace ; neither had much direct national interest in the questions at issue. Inevitably they acted as moderators, and acted together. The approach has survived the immediate occasion, and it may prove to be permanent. The leisurely adjustment of the questions of conflicting interest which hinge on the Bagdad railway and certain matters touching African colonies is not yet concluded as these pages are written, but it is said to be morally complete, and if that be so, it ought to leave a lasting impress on Anglo-German relations. Nothing has

been wanting but good will during the last decade for the conclusion of such an understanding. There is much to criticise in the manners and morals of German diplomacy, but a Power bent on "real" rather than sentimental ends is a Power with whom one can always do business, if the will to adjust conflicting interests is felt on both sides, as it now is. One rejoices that these very limited occasions of frictions have been cleared away, but it is an even greater gain for European peace that some parallel adjustment of Franco-German difficulties has taken place simultaneously and, indeed, as a part of the Anglo-German settlement over the Bagdad question. How far this has gone is not yet known, and it may be little more than an ordinary diplomatic bargain, which will not affect, and is not intended to affect, the permanent attitude of France and Germany to each other. It is, however, a beginning on which much might be built if those had who the will to build were in power.

Should the advanced Radicals keep their majority in the coming general election, and, above all, if the Socialist vote in France should be much increased, there will be in the French Chamber for the first time a majority which will have won power by a frank appeal against the tendencies of the nationalist reaction. When Anatole France and Jean Jaurès were in London early in this year, the one thing which they both said with urgency and iteration (and the one thing which our press omitted to report) was to appeal to England to act as the mediator and common friend between France and Germany. Jaurès referred to Mirabeau's dream of a moral

union of the French, British and German peoples to secure the peace of Europe. That was indeed a hope in which the whole generation of the Revolution used to indulge, before Pitt revived the doctrine of the Balance of Power. Thomas Paine even predicted that ten years would see the end of war through such a coalition, though he substituted the United States for Germany. After a century of disillusionment the dream revives. It is a bolder and more far-reaching conception than the too narrow ideal of an Anglo-German understanding on which English pacifists have concentrated. An Anglo-German understanding of the conventional pattern we probably could have to-morrow, and might have had ten years ago. The obstacle to it at the opening of the century was, as Prince von Bülow has clearly shown, the suspicion that our diplomacy meant to use it against Russia. An understanding of that type, for the division of someone else's country into spheres of "work" or "influence" or "penetration," and for the frustration of some rival diplomacy, would add nothing whatever to the peace and security of Europe. It would only lead to some new adjustment of the Balance of Power. When we think of peace we must learn to think as Europeans. The real problem of the creation of a Concert is primarily the problem of the removal of Franco-German enmity, and so far as outside forces can promote it, it is British influence which seems naturally designed to bring it about. If a firm habit of co-operation were created between these three Powers, the two triple groups would have ceased to confront each other as

hostile coalitions, and the alliances among the six Powers which provide for mutual defence in the event of war would gradually grow obsolete, though they might continue to exist. A natural grouping of the more advanced Western Powers would have been formed, and as concrete questions came up for decision, it would assert its reality over the cross-grouping of the older associations, because it would have behind it the sentiment of the three democracies. There is nothing impossible or illogical in the co-existence of two different systems of grouping. The Western Group would be an *entente* for peace. The other trinities are groups for war Events would show, as the years went on, how vastly more important is peace than war. The aim should be rather to create a Western party in the Councils of Europe, which would act, in the broad sense of the word, as the Liberal party, and nothing would prevent the association of Italy with it, when she has tired of asserting her virility in futurist adventures. It would expand naturally into a broad European association as Austria progressed in the task of putting her house in order, and the Russian people asserted itself with success against its bureaucracy. But it would be fatal to the hope of a Concert that such a Western Group should start with the idea of breaking up the existing systems and setting another of the same kind in their place. It ought to be a group designed to promote the settlement of common European questions by the methods of a Concert ; it must not be an alliance formed to attain national ends by the methods of the balance.

The immediate obstacle to the formation of a

Western Group is not the question of armaments; that is not more than an expression and a consequence of the practice of the doctrine of a Balance. Nor is it any longer the waning Anglo-German antagonism. It is something more human and more lasting than the frivolous and factitious rivalry of British and German Imperialism in distant regions of the earth. It is, in a word, the French sentiment over the lost provinces. It is hard to say how far that sentiment survives. It lives, like all national idealism, by a connivance of courage and cowardice. Any adventurer or rhetorician may play openly upon it. Any army contractor may exploit it. But few dare to combat it openly outside the Socialist ranks. It is stronger among the old than the young; time is against it. It is rarely met by the direct demand that it shall be solemnly renounced; rather it encounters the accumulating proof that it cannot be hopefully cherished. The masses who resent three years' service renounce it as effectually, when they shrink from that sacrifice, as the thinkers who oppose it in words. Nor is it a sentiment which really serves the interests of the greater world of French finance. The efforts first of the banker-premier Rouvier, and then of M. Caillaux, to conclude a comprehensive understanding with Germany on a basis of finance, were a proof that the present interference of sentiment with business, by which the French money market is closed to German enterprises, is felt to be irksome and unprofitable. The pressure of material factors is always at work to wear away the vitality of a mere sentiment in politics. Now it is the investor

who would like to share in German ventures, or even does on occasion surreptitiously share in them. Again it is the business world which joins the pacifists in asking, timidly and fitfully indeed, for a more reasonable Franco-German tariff. It is not exactly a heroic spectacle—this dwindling of a brave and vivid emotion under commercial influences. But even this prosaic process is a translation in crude language of the fact that a sentiment must find its place and its proportion in the whole universe of a nation's concerns. It may never be renounced, but it may well be buried. It is not a passion fierce enough to sweep aside the restraints of prudence and the calculations of probability. Undoubtedly when the alliance with Russia was first contracted, there were Frenchmen who hoped and believed that Russia could be induced to march with France in a war of revenge. That illusion has long since faded, and sober Frenchmen realise only too clearly that the first concern of Russian policy is to keep the peace with the German neighbour. So far from desiring to aid France in any war of aggression, the concern of Russia is rather to hold back her impetuous right arm. To-day the doubt is even whether Russia would loyally back her ally in a war of defence, and if her loyalty were above suspicion, military students ask themselves of what service a Power could be whose mobilisation would hardly be completed before the decisive actions of the Franco-German campaign had been fought out. There were moments when our own country seemed to the ardent hopes of French nationalists a possible substitute for Russian aid. But closer study has

revealed our profound reluctance to create a conscript army, and without it what effective help could we render in a land war? Little by little, as alliances have proved a vain hope, and the numerical disparity of the French against the German armies grows each year more evident, the material impossibility of a war of revenge has impressed itself on the national consciousness. The dying sentiment can scarcely now inspire an honest hope. An adventure it has never fired. Its utmost power is negative: it avails to delay reconciliation, and to frustrate all efforts at disarmament.

If it is difficult to measure the present force of the sentiment of the *revanche* among Frenchmen, it is even harder to arrive at the truth about the opinions of the people of Alsace and Lorraine. The German Empire has made little progress in the work of assimilating these conquered populations. If German culture has made some progress, it has not displaced French culture, nor seriously weakened the sentiment of affection towards France. Indeed, a new sense of resentment against the Prussian spirit of orderly force and regulated brutality has been engendered by a bitter experience, and has strengthened the original sympathy of this Germanic people for the French. Prussian efficiency has its limitations, and it has behaved in its handling of the Alsatians with a baffling want of intelligence; one might indeed plausibly guess that the rulers of Prussia did not wish to win the Alsatians by conciliation; they preferred to alienate them while they could master them. One contemplates in this spectacle perhaps the most melancholy instance of

human folly. Had Bismarck refrained from annexing, or had he annexed only what was necessary for strategic reasons, it is possible that European civilisation would have entered this century free from the fears that arm it, fetter it, and beset it to-day. It is even probable that if he had done what Liberalism did in South Africa, if he had conceded to the Reichsland within a few years of its annexation the full status of a sovereign State in the Federal Empire, the problem of Alsace would have disappeared from the consciousness of Europe a generation ago. The sufferers for this failure of statesmanship are not merely in the first place the people of Alsace, and after them the nations of Germany and France, armed and regimented to maintain or to undo this unceasing conquest. The evil which sprang from this one act radiates in unceasing mischief to all the ends of Europe. It affects the Russian conscript in a Siberian barracks. It is felt in London when we measure our fleet and contrive our expeditionary corps. It is the one historical cause which now affects the struggle for a balance of power, the only important legacy from the past which complicates the modern strife for distant fields of exploitation. In a retrospective Utopian mood one can imagine what would have been the ideal destiny of these provinces after the war of 1870. If some all-powerful philosopher-king had presided then over an awakened Concert, he would have erected Alsace-Lorraine into a neutral but independent State, German by race, French by culture, destined by its affinities to mediate between the two peoples, and by its situation to serve as a

barrier between their armies. With a continuous belt of neutral territory stretching from Belgium through Alsace to Switzerland, another Franco-German war would have become an impossibility. But these are dreams. The question of to-day is whether this Alsatian question is in reality insoluble save by war.

The probability is that its gravity is immensely exaggerated, and for a quite intelligible reason. When one reads the eloquent pages which Prince von Bülow has devoted to the expression of his opinion that the French will never forget 1870, will never cease to work for the recovery of Alsace, and will never tolerate a reconciliation with Germany, one may not be convinced, but one is troubled and impressed. The impression gains a new clearness, when one reaches the further chapters in the same book (*Imperial Germany*), which argue that Prussia must never surrender her leadership in the German Empire, that Germany must remain an essentially military State, that responsible Parliamentary government would be its ruin, and that a military State requires a strong monarchy. The connection of the two sets of opinions can hardly escape the least suspicious reader. It was by no meaningless theatrical gesture that the German Empire was founded on drawn swords in the Hall of Mirrors at Versailles. Buried beneath its foundation-stone is the treaty which gave it Alsace. It exists on the dual basis of the German will to hold these provinces and the French will to recover them. To the German nation this basis is unnecessary. A full democracy requires no such stimulus to its corporate life.

The thing which must be founded on hate and greed is the domination of the Prussian land-owning and military caste. Every institution of the Empire is designed to maintain its profitable and oppressive ascendancy, from the monstrous anomaly of the Prussian Three-class franchise to the anachronism of the Kaiser's personal rule. This Prussian ruling class dominates, as the Spartans did, by maintaining even in peace the illusion of a continual state of war. That state of war is upheld primarily because Alsace is subjected to a daily and unending conquest. It is part of this illusion that France is ever watching for her chance to recover the provinces. If the sentiment of the *revanche* did not exist, Prussia would have had to invent it. She has invented it; she has perpetuated it; she goads and exasperates it, even to-day, by such deliberate and organised provocations as the Zabern incident. Germans must at all costs be made to believe that the Alsatians are ever ready to revolt, and the French ever ready to cross the frontier. If by such partial acts of generosity as the recent concession of a faulty but still extensive system of Home Rule to Alsace, the Alsatians are lapsing into relative contentment; if by the flux of years and the pressure of other interests the French are forgetting their cherished sentiment of revenge, then the Prussian ruling caste must needs reopen the old wounds, and Colonel von Reuter, with the Crown Prince to back him, found the way at Zabern. We are here in presence of a phenomenon comparable to our own doctrine of capture at sea. The Prussian ruling caste will not allow the Alsatian question to slumber,

because it is the best argument for their own military ascendancy. The first consequence of an evolution which should bury the Alsatian question in oblivion, would be the breaking of the Prussian yoke and the triumph of democracy in Germany, with all that this would mean for the decline of militarism and the reduction of armaments. So it is among ourselves; the abandonment of capture at sea would allow of a reduction of the navy. Every nation has its own chimaera, a nightmare which militarism deliberately breeds in its own Imperial studs. The German nightmare is the dread of losing Alsace. Ours is the fear of the loss of our shipping in wartime. Both of these factitious monsters could be hamstrung with one swift blow of commonsense. Abandon the doctrine of capture, and half the case for great navies would be destroyed; free Alsace, and Germany need no longer be organised for perennial conquest. In spite of such manifestly interested opinions as this of Prince von Bülow's, the Alsatian question is rapidly losing and may indeed have lost already its importance for Europe. The French passion is in a state of decay—the coming elections may prove that it is dead. German apprehensions require the artificial spur of a Zabern incident to keep them awake. One may sometimes hear even from intensely anti-Prussian Alsatians the confession that a return to French rule has now become not only impossible but undesirable. While they still chafe under the rule of Prussian officials and Prussian soldiers, they have perforce built up with Germany, under the pressure of the protective tariff which inevitably diverted their trade with France,

ties of commerce and credit which could not now be broken without catastrophic consequences to their industry. If Alsace were but granted such full autonomy as Bavaria or Saxony enjoy, it is doubtful whether a plébiscite would show a majority for a return to French rule.

The Alsatian question, in short, is no insuperable barrier to a Franco-German understanding. The French know that they cannot hope to recover the provinces by arms. The Alsatians are divided between sentiment and recent but powerful ties of interest. All that is required, if one may venture to prophesy where nothing can be certainly known, is that the mailed fist should relax its grasp, and that a homely local administration should take its place. So much has been conceded already, that it is not wholly futile to hope for this. When it happens a real Concert of Europe will have become possible; it will indeed exist. But one may doubt whether Germany will be capable of such an act of grace, until the Prussian ascendancy has been undermined, and the spirit of the Prussian State itself transformed by the concession of a democratic franchise. In the last resort the triumph of a liberal civilisation in Europe awaits two internal events—the establishment in Russia of the Duma's supremacy over the bureaucracy and the Court, and the defeat of the Prussian squirearchy by the Prussian masses. Neither event can be indefinitely delayed, but until both these events are consummated, there will not exist in full consciousness and supremacy that sovereign ideal of self-governing nationality which thinkers presuppose when they dream of a United

States of Europe. That vision lies in the future, but some unforeseen internal changes might conceivably make it a by no means distant future. The steps towards it are not difficult strides. They are mainly two. The first of them is the promotion of such a degree of confidence, if not of cordiality, between Britain, France and Germany as would enable a council of the Powers to meet at frequent intervals on the model of the London conference, and to consider common European questions without inevitably breaking into two groups which neutralise each other. The second of them is the formation of a fixed opinion that no change ought anywhere to be made in the territorial *status quo*, no spheres allotted, no areas of penetration mapped out, without the assent of all the Powers. That opinion must be argued and preached and reiterated until it hardens into a canon of international law. When it is impossible for "anything to happen in the world" (to use the Kaiser's phrase) without the Concert, we shall at last have left behind the predatory phase of world-politics, with its inevitable accompaniment, the endless unrest of a struggle for a Balance of Power. Until that canon is imposed by public opinion and acknowledged by statesmen, there can be no end to the competition in armaments. The present method of barters and bargains between pairs of Powers may be a means of avoiding war, but it is nothing better than a ratification of bloodless conquests which have been achieved by the dry warfare of competing armaments. It is a method ruthless in its disregard of the rights of undeveloped peoples, and anti-social in its unconcern for the

rights of third Powers. It does but measure the ability of the expanding Empire to take by force what it desires, against the ability of its rival to use force to restrain it. It is hopeless to declaim against the silent, half-conscious reliance of diplomacy upon force as its ultimate sanction. The hopeful method of dealing with this evil is to provide an alternative means of settling those questions which alone provide an adequate motive for the accumulation of force. The essential is that such questions of the future as the destinies of Asiatic Turkey and China shall be settled, if ever they call for European intervention, by a Concert of the Powers. But this Concert will be no substitute for the armed bargaining of single Powers, unless its members enter it untrammelled by alliances, and free to act round its table on a disinterested view of what the common good requires. That is the ideal of a Concert, an ideal which seems to-day to be dismally remote. It is remote largely because it is not consciously grasped by the masses of thinking men who aspire to peace. By mere negotiation we shall not reach the reduction of armaments, nor shall we by arbitration abolish war. There is no solution save in the resolve that European questions shall be settled by Europe. When many wills are set to this end, when many brains are bent on its realisation, there will come that change in the intellectual atmosphere by which alone great reforms are achieved.

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CONCLUSION

It is no small or facile change which the argument of this book has demanded. The transition from our present plight to the ideal of this chapter will be neither rapid nor easy. One may question indeed whether the last stages of the advance can be made save as the consequences of a much larger social evolution. The fear that broods to-day over the peoples of Europe, and forbids them to open at the gates of their frontiers more than a guarded and grudging postern, is based on something more solid than an illusion which reasoning might dispel. If war were the real evil, then the violent ordeal of a general conflict might one day bring us to the wingless peace, as revolutions may end an internal oppression. But armaments are no longer accumulated solely for the chance of war. They have a use while they lie idle in peace. Modern conditions have involved us in a rivalry of armaments which is now a conscious struggle to achieve by expenditure and science, by diplomacy and alliances, a balance of power which always eludes us, and because it is always variable and unstable condemns us to a bloodless battle, a dry warfare of steel and gold. Morally it degrades, and materially it burdens our international life with the same continual reference to a standard of force, and the same intolerable tax on our resources as warfare itself. The process, if we believe statesmen, is defensive, and the school of Mr. Norman Angell, after a searching criticism of their answer, has reached the conclusion that force is not

so much a crime as an irrelevance. We have seen reason to doubt both the orthodox explanation and the pacifist conclusion. If defence were the aim, then the struggle for a balance of power would be a fallacy too gross for any human mind. It is a self-destructive ideal. Each Government seeks not an equilibrium, but a balance favourable to itself. Mr. Churchill has said that the way to be sure of peace is "to be so strong, that victory in the event of war is certain." His audience applauds, only because it does not hear the German, the Frenchman and the Russian uttering the same axiom at the same moment to equally uncritical audiences in Berlin, Paris and St. Petersburg. But it is not in fact for defence that each Power strives to be stronger than any other. The aim is something less muddle-headed, more rational but more sinister. We found it in an analysis of the actual records of the various Powers during the recent accentuation of the struggle for a balance. What did they win from it? Over what concrete issues did they dispute? What questions divided them? What objects brought them together? The answer lay on the open page of contemporary history. Their governing thought had reference to no real European concern; it always turned on the effort to secure or obtain some field of economic opportunity beyond the seas. The struggle for a balance is, in short, the effort to be so strong that one may hold or win some distant field of effort or investment. Behind the diplomatic struggle we saw as its explanation the profound change which has come over the whole modern structure of "trade." From the standpoint of

profit, the exchange of goods has become secondary. The income derived from investments abroad now vastly exceeds the income gained by the capitalist class from the export of goods. We traced the adaptation of diplomacy to this economic change, and found the root of our modern difficulties in the principle that it is the business of the State not merely to protect but even to further the enterprises of its private citizens abroad. To realise the working and significance of this principle is to understand that force is not an irrelevance in the modern world. The State stands behind these accumulations of adventuring and emigrating capital. It makes the wedge for their penetration, and supplies the pressure behind it. On the plane of class-egoism armaments are for the capitalist class entirely rational; the competition to accumulate them has an adequate motive, and the struggle for a balance of power is seen to be a phase and expression of modern finance.

The first duty of the pacifist is to see this world-process with an unflinching comprehension. His solutions and his aspirations will be the babblings of an idealistic child until he has measured the economic forces which oppose him. With these he must wrestle, and bring them under control, before he has won the right to talk of disarmament or to found the United States of Europe. The case is difficult because the masses of the democracy have nowhere conquered the right to control the machinery of diplomacy, and are still so immature that they barely formulate a claim. Our first task is one of education; as that advances, it is possible to foresee the means by which the consolidated

interests of the ruling caste may be undermined and checked.

If the conduct of foreign affairs can be brought under a mechanism of democratic control, we shall at least have made an arena in which the interests of the manufacturer and the producer of goods may balance the far more dangerous and subtle interests of the financier and the exporter of capital, where, too, the disinterested views of the masses may at length find a focus and an expression. A candid publicity would mitigate many of the present evils from which we suffer, and where full publicity is unattainable, the creation of a Commons Committee for Foreign Affairs would secure that every transaction should at least come under the review of a number of unofficial minds.

Means have been proposed by which the immense process of the export of capital may be brought under public control, through a classified register of foreign enterprises, loans and investments, so contrived as to deprive all undesirable ventures of official countenance, and to handicap them in their appeals to the investing public. Exported capital receives to-day the aid of diplomacy and the protection of the fleet. The inevitable sequel to this development is that it should submit to public control. By this control diplomacy will not merely protect our national interests and reputation from many a risky complication and many a stain of dishonour; it will also gain an invaluable instrument for its own policy. Finance rather than force is destined to be the organ by which the more civilised peoples may control the less civilised, check wars before they

can begin, and isolate a disturber of the world's peace.

With the direct pressure towards armaments which comes from contractors, we proposed to deal by nationalising the business of providing warlike material. We saw reason to believe that the abolition of the doctrine of capture at sea would detach from the party of militarism the mass of mercantile opinion which desires a great navy primarily because it dreads the danger with which this doctrine threatens its commerce in time of war.

These measures are all within our own power as a nation. They are measures of national policy, and have their justification apart from any ultimate effect upon international relations. They are necessary to complete the equipment of any people which aspires to the life of an ordered democracy, and would free itself from the efforts of interested classes and groups to exploit its resources and bend its policy to their own ends. But they have been advocated in this book for other reasons also. The absence of these checks upon the export of capital, and the nearly total subjection of the foreign policy of all advanced nations to the opinions of a ruling class which has become an investing class, explains the facility with which this class, in its appetite for distant "places in the sun," can set in motion the struggle for a European Balance of Power. A favourable balance means primarily liberty for an Empire to expand, and opportunity to acquire the monopolies coveted by this class. Against it must be ranged the masses who have no direct interest in this process, and whose wages are, indeed, depressed

by the unduly rapid accumulation of capital, which instantly finds an outlet in regions of cheap labour under the special protection of the Home State. To control this export [1] is to win the means of managing the economic forces which drive us into the struggle for a Balance of Power.

The problem of making an end of that fear which molests the life of nations is in great part a national task. Each people for itself must grapple with the predatory forces within its own ranks which perpetuate the reign of force. While they dominate its policy, while they scheme and arm to secure the power which may be converted into economic opportunity, it is probably hopeless to dream of reducing armaments by agreement. Armaments will be reduced when they no longer serve their end of winning for national financial groups their exclusive areas of exploitation abroad. To render them obsolete we must substitute for the method which prepares changes in the *status quo* by an act of barter following a trial of strength, some process of decision before a Council of the whole civilised world. Such a Council will come into existence only as the decay of

[1] To guard against misinterpretation, I do not mean to imply that in my view a system under which privately-owned capital was exported under some degree of public control and with some measure of State protection would be ideal or even satisfactory. National resources would still be used to an unjustifiable degree to further private profit. Moreover, the State, when it attempts to control finance or trusts, or even industry, supplies a new incentive to the moneyed class to capture its governing bodies. The logic which leads to control ends in nationalisation. But we live in the present and must meet the needs of the day with the weapons in our grasp.

alliances liberates each Power from partisanship, and creates a neutral and disinterested opinion which can approach common questions from the standpoint of the common good. To such a Council or Concert weak nationalities might look without fear, and the machinery of the Hague might well be completed by the creation of an international Credit Bureau which would act towards feeble States as a disinterested guardian or trustee. When Britain, France and Germany have dissolved their differences, and knit their common civilisation in an understanding based rather on opinions than on armaments, the foundations of a permanent Concert will have been laid. In the meanwhile, the friends of peace may urge as any crisis approaches, that such a Council as the Conference of London should be formed without delay as the symbol and instrument of European solidarity. The permanent constructive solution lies rather in the formation of such a Council than in the precarious mediation of a single Power.

Do we ask a sign to strengthen our faith? The Europe of to-day shows miracles enough. War has become unthinkable between three peoples which have made war upon each other time and again in the past. Britain and Russia have been allied against France, France and Britain against Russia, while the enmities of France and Britain have made half the military history of Western Europe. All that is over. The peace to which we aspire exists between these Powers. Somehow they adjust their differences by amicable diplomacy, and the world is barely allowed to know that differences exist. Germany and Austria, Austria and Italy, have behind them the

same history of strife, and they, too, have achieved peace. Who shall say that what three Powers can attain, would be impossible for six? If an external danger, a real Yellow Peril, an aggressive Moslem renaissance, or some insanity of a new American Imperialism were to threaten Europe on the day after to-morrow, the Six Powers would form a coalition. There is nothing in the national idea which requires a state of strife. Nations are no more constrained by nature to the dry warfare of the armed peace than rival cities or federated States. We dream of doing for a great idea what every Power in its own circle has done for a petty advantage. The modicum of confidence and tolerance, which has made a permanent peace in the two sundered halves of Europe, would avail with good will to make it in the whole.

The mischiefs which oppress us to-day in the intercourse of nations will be exorcised only when clear and negative thinking has dispelled the megalomania that distracts us. Men are reluctant to allow that the concerns which divide States are at bottom petty and sordid. We dignify them with great abstract words; we invoke the memories of heroic times. We play with the legendary inheritance of the Balance of Power, until we persuade ourselves that our homes are in danger, and our faiths and liberties at stake. These are the terrors of an older world, as insubstantial to-day as the ghosts of Marlborough and Wellington. The Powers struggle to-day over nothing vital, nothing homely, nothing relevant to our daily life. A romantic sentimentalism in the masses plays into the hands

of a shrewd realism in the ruling class. It is not the human capacity for imagination and reverence which is the enemy. Rather is it an imagination too facile, a reverence too little exacting. We give our allegiance too promptly to ideals of greatness which are unworthy of us. We follow the lure of spreading Empire and echoing prestige, deceived by a map, intimidated by a word. The disciplined imagination learns to reject these plausible appeals, and will not fear to seem poor-spirited, when it strips the reality of its gaudy disguise. The great things in life, the high purposes for which nations exist, are not the struggle to mark out spheres of exploitation, the competition for the usurer's share in financing a dying Empire, or the question as to which national group of capitalists shall draw the profits of cheap native labour. It is a sophistication and a sentimentality which lends to this process the emotions of patriotism. There is in all of us an uneasy sense that this international struggle is distracting the mind of society, which ought to be bent on the civilisation of our own barbarous way of life, while it dissipates on the engines of strife the resources that would suffice to raise the casual labourer and the sweated woman worker to a human level of comfort and freedom. That vague distress, if it is to help us forward, must be translated into a searching curiosity, and developed into an indignant scepticism. It is not enough to desire peace. The generation which attains peace will have won it by an intellectual passion. It must feel the waste and the degradation of our present fears so deeply, that it will think its way through the subtleties and the secrecies which render

plausible the present misconduct of international affairs. It will find, when it has faced its problem, that it is not national necessities but class-interests which condemn us to the armed peace. It will realise that in this vast competitive process, by which capital is spreading itself over the globe, there is no motive which can require, no reason which can excuse the hostility of nations. Let a people once perceive for what purposes its patriotism is prostituted, and its resources misused, and the end is already in sight. When that illumination comes to the masses of the three Western Powers, the fears which fill their barracks and stoke their furnaces will have lost the power to drive. A clear-sighted generation will scan the horizon and find no enemy. It will drop its armour, and walk the world's highways safe.

March, 1914.

INDEX

ABERDEEN, LORD, 48, 49
Aborigines Protection Society, 243
Africa, South, 270
African Colonies, 126 (*note*)
Agadir, 39
Alabama, 147
Alexandria, 102, 103
Alexeieff, Admiral, 51
Alliance, Japanese, 23
Alliances, 17, 19, 23, 288, 314
Alsace-Lorraine, 35, 298–305
Angell, Norman, 161–170, 308
Arabi Pasha, 99–103
Arbitration, 280–283
Armament firms, 88–94
Armaments, nationalisation of, 267–269 ; not for war, 163 ; standard of, 272–275
Armstrongs, 90
Army, British, 269–272
Ashanti, 127

Bagdad railway, 32, 41, 291
Balfour, A. J., 91
Balkan Committee, 133
Balkan League, 230, 278
Balkan Question, 15
Bebel, August, 185, 188
Bérard, Victor, 44
Bezobrazoff, M., 51
Bluebooks, 216
Blunt, Wilfrid S., 102
Brazil, 237
Bryce, Lord, 216
Bulgaria, 189–192
Bülow, Prince von, 43, 255, 296, 302, 304
Bundesrath, 256

Cabinet, and foreign policy, 143–148
Caillaux, M., 38, 39, 40, 298
Campbell-Bannerman, Sir H., 11, 45
Capital, Export of, 63–86, 232–235, 312 (*note*)
Capture at Sea, 254–267
Cassell, Sir E., 57, 122
Chamberlain, Rt. Hon. J., 13, 130, 240
Channel Tunnel, 10–12
China, 31, 59–61, 220, 239, 240, 248
Churchill, Rt. Hon. W., 16, 45, 263, 276, 309
Civis Romanus Sum, 53, 151, 239, 245
Colvin, Sir A., 99
Committee of Commons, 211, *sequ*
Concert of Europe, 28, 279, Chap. X. *passim*
Congo Reform Movement, 69–72, 132–134
Conscription, 271
Continuity of Foreign Policy, 131, 205
Cowdray, Lord, 57, 223
Credit Bureau, international, 252
Crimean War, 48, 49, 146
Cromer, Lord, 72, Chap. III. *passim*
Crown and Foreign Policy, 148–152

Daily Mail, 13
Democracy and foreign affairs, 198–202
Denshawai, 140
Dillon, John, 140
Diplomatic Service, 152, 215
Disraeli, B., 240
Domokos, 174
Duma, 226
Drago Doctrine, 251

Edward, King, 44, 148, 151
Egypt, Origin of occupation, 95–103 ; diplomatic consequences of occupation, 105–110 ; material benefits of occupation, 110 ; peasants in, 111–113 ; factories in, 114 ; self-government of, 115 ; education in, 116 ; capital in, 121 ; foreign residents in, 123 ; public works in, 165
Emigration, 75

Factory Acts, 82
Federal Home Rule, 206
France, Anatole, 182, 295
France, Empire of, 76
France in Egypt, 105–108

Garibaldi, 175
Gazette, Official, 216
Germany, supremacy of, 32
Germany, rivalry with Britain, 41–44, 294
Giffen, Sir R., 74, 77
Gladstone, W. E., 99, 101, 103, 130, 145
Goschen, Lord, 97
Gorst, Sir Eldon, 114
Granville, Lord, 101
Grey, Sir E., 39, 140, 226, 286

Harvey, Sir Paul, 114
Hardie, J. Keir, 140
Hervé, G., 182–187
Hobson, J. A., 74
Hohenlohe, Prince, 50
Holiday, naval, 276

India, army of, 88, 267 ; defence of, 23 ; labour in, 82, 83 ; profits of a conquest of, 165, 166 ; tribute of, 87